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APPENDIX
Volume I

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1973

No. 73-641

EDWIN A. AND HELEN B. SNOW
Petitioners,

—v.—

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

On Writ of Certiorari to the
United States Court of Appeals for the Sixth Circuit

PETITION FOR CERTIORARI FILED OCTOBER 12, 1973
CERTIORARI GRANTED JANUARY 7, 1974

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CHRONOLOGICAL LIST OF RELEVANT DOCKET ENTRIES

UNITED STATES TAX COURT

- November 16, 1970 — Plaintiff Snow's petition filed
- January 7, 1971 — Answer filed by Commissioner
- November 16, 1971 — Trial at Cincinnati, Ohio, before Judge Bruce
- June 30, 1972 — Findings of fact and opinion filed by Judge Bruce
- June 30, 1972 — Decision for Commissioner entered by Judge Bruce

APPELLATE PROCEEDINGS

- September 5, 1972 — Notice of Appeal to U. S. Court of Appeals for the Sixth Circuit filed by Petitioner Snow
- July 17, 1973 — Opinion and Judgment of the Court of Appeals for the Sixth Circuit (Tax Court decision sustained)
- October 12, 1973 — Petitioner for Certiorari filed
- January 7, 1974 — Certiorari granted

UNITED STATES TAX COURT

Docket No. 7125-70

EDWIN A. SNOW and HELEN B. SNOW,
Petitioners,

v.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

STIPULATION OF FACTS

(Filed November 16, 1971)

It is hereby stipulated that, for the purpose of this case, the following statements may be accepted as facts and all exhibits referred to herein and attached hereto are incorporated in this stipulation and made a part thereof; provided, however, that either party may introduce other and further evidence not inconsistent with the facts herein stipulated. Either party hereby expressly reserves the right to object to the admission in evidence of any of the following facts or exhibits, however, on the grounds of materiality and relevancy.

1. Petitioners Edwin A. Snow and Helen B. Snow were, on the date of the filing of the petition in this case, residents of Cincinnati, Ohio. Petitioners filed their joint Federal income tax return for the calendar year 1966 with the District Director, Internal Revenue Service, Cincinnati, Ohio; a true and correct copy of that tax return is attached hereto and marked as joint Exhibit 1-A.

2. On July 8, 1966, Mr. Snow executed what was called an "Agreement" as a limited partner in an entity known as the Burns Investment Company. A true and correct copy of that Agreement form is attached hereto and marked as joint Exhibit 2-B.

3. Subsequently on April 3, 1967, Mr. Snow along with all of the other parties to that original Agreement, executed an amendment to that Agreement. A true and correct copy of that Amendment to Agreement is attached hereto and marked as joint Exhibit 3-C.

4. Form 1065, U.S. Partnership Return of Income, was filed by Burns Investment Company for the taxable year beginning August 1, 1966 and ending December 31, 1966. A true and correct copy of that tax return is attached hereto and marked as joint Exhibit 4-D.

5. By way of invoice, Crossbow, Inc. billed the Burns Investment Company as follows:

<u>Invoice No.</u>	<u>Date</u>	<u>Amount</u>
265	7-15-66	\$ 8,684.44
266	7-31-66	4,215.89
279	12-09-66	8,863.73
280	12-30-66	12,500.00
281	12-30-66	2,516.38
		<hr/>
		\$36,780.44

True and correct copies of all of those invoices are attached hereto and marked as joint Exhibits 5-E thru 9-I.

6. Sometime during March of 1965, Mr. Edwin A. Snow executed what was called a "Certificate of Limited Partnership" as a limited partner in an entity known as the "Echo Development Company." A true and correct

copy of that certificate is attached hereto and marked as joint Exhibit 10-J.

7. Also during March of 1965, Mr. Edwin A. Snow executed what was called a "Certificate of Limited Partnership" as a limited partner in an entity known as "Courier Enterprises." A true and correct copy of that document is attached hereto and marked as joint Exhibit 11-K.

8. Forms 1065, U.S. Partnership Return of Income, were filed by Echo Development Company and Courier Enterprises for the taxable year 1966. True and correct copies of those returns are attached hereto and marked as joint Exhibits 12-L and 13-M.

/s/ HAROLD W. WALKER

/s/ BURGESS DOAN,
Counsel for Petitioners.

/s/ K. MARTIN WORTHY,
Chief Counsel,
Internal Revenue Service.

[1]

BEFORE THE
UNITED STATES TAX COURT

DOCKET NO. 7125-70

EDWIN A. SNOW and HELEN B. SNOW,
Petitioners,

vs.

COMMISSIONER OF INTERNAL REVENUE,
Respondent.

Courtroom 607, U. S. Court of Appeals
Post Office and Courthouse Building
5th and Walnut Streets
Cincinnati, Ohio
Tuesday, November 16, 1971

Met, pursuant to notice, at 11:10 o'clock a.m.

BEFORE:

HONORABLE J. GREGORY BRUCE, Judge.

APPEARANCES:

BURGESS L. DOAN, Esq., and H. W. WALKER, Esq.
522 Dixie Terminal Building
Cincinnati, Ohio 45202
appearing on behalf of the Petitioner.

RUDOLPH L. JANSEN, Esq., Internal Revenue Service
7504 Federal Office Building
Cincinnati, Ohio
appearing on behalf of the Respondent.

• • •

[3]

PROCEEDINGS

THE CLERK: Docket Number 7125-70, Edwin A. Snow and Helen B. Snow. State your appearances for the record please.

MR. DOAN: Burgess L. Doan for the Petitioners.

MR. WALKER: H. W. Walker for Petitioners.

MR. JANSEN: Rudolph L. Jansen for Respondent.

THE COURT: All right, do you wish to make opening statements or wait until after you get the stipulation of facts in? You can suit yourself. If you wish to refer to the stipulation in your opening statement you may offer it now or later.

MR. DOAN: My opening statement will refer to the stipulation of facts, Your Honor.

THE COURT: Suit yourself when you want to offer it.

MR. DOAN: I believe we agree that upon conclusion of my opening statement we would offer the stipulation of facts, Your Honor.

THE COURT: All right.

OPENING STATEMENT ON BEHALF OF PETITIONER

By Mr. Doan

MR. DOAN: May it please the Court, the issue to be decided in this case is whether Petitioner is entitled to deduct on his 1966 Federal income tax return his distributive share of a net operating loss sustained for the taxable year 1966 by Burns Investment Company, a partnership. It is the [4] Petitioner's position that his distributive share of the net operating loss sustained by Burns Investment Company resulted from expenses incurred in inventing, develop-

ing and obtaining patents on a special purpose incinerator device during the taxable year 1966.

It is further the Petitioner's position that a partner is engaged in the business of the partnership of which he is a member; that the Petitioner was engaged in the trade or business of inventing, developing and obtaining patents on new products for commercial exploitation during the taxable year 1966 by virtue of his extensive participation in various projects, and therefore he is entitled to deduct his distributive share of the net operating loss sustained by Burns Investment Company during the taxable year 1966, since that loss arose from research and development expenses incurred, accrued and paid during the taxable year 1966 in connection with the Petitioner's trade or business.

The essential facts to be established in this case are as follows: the Petitioner was, during the taxable year 1966, a partner in Burns Investment Company, a partnership, which was organized and operating under the laws of the State of Ohio; that Burns Investment Company was formed during the taxable year 1966 for the purpose of developing a special purpose incinerator device for the consumer and industrial markets; and that device is known as the Trashaway. Burns [5] Investment Company sustained a net operating loss in the amount of \$36,780.44 for the calendar year 1966, of which the Petitioner's distributive share was \$9,195.00 which was claimed on his 1966 Federal income tax return.

The Petitioner was during the taxable year 1966 a partner in a second partnership known as Echo Development Company which was also a partnership organized and operating under the laws of the State of Ohio. The Echo Development Company was formed on March 22, 1965 for the purpose of developing a new consumer product in the electronics field, namely a telephone answering device.

The telephone answering device was completed during the early part of 1966 and the rights thereto were held available for sale, during the taxable year 1966.

The petitioner was during the taxable year 1966 a partner in a third partnership known as Currier Enterprises. That also was a partnership organized and operating under the laws of the State of Ohio. Currier Enterprises was in the business of developing a tape recorder for the purpose of obtaining patents on that tape recorder and selling the rights to it or licensing the rights to it to others.

The Burns Investment Company was likewise engaged in the business during 1966 of developing the Trashaway, the incinerator device for the purpose of obtaining patents on that device and selling the rights or licensing others to [6] manufacture it.

The Petitioner proposes to meet his burden of proof in the following manner. The Petitioner and the Respondent have jointly stipulated that Burns Investment Company was a partnership organized and existing under the laws of the State of Ohio and that Petitioner was a member of that partnership during the taxable year 1966. A true and correct copy of the partnership agreement is attached to the stipulation of facts as Joint Exhibit 2-B and is incorporated therein.

The Petitioner and Respondent have further stipulated that Burns Investment Company filed its Federal income tax return with the District Director at Cincinnati, Ohio for the taxable year 1966 and a true and correct copy of that tax return is likewise attached to the stipulation of facts as Joint Exhibit 1-A. The Federal income tax return will further show that the Petitioner was a partner in Burns Investment Company. It will show the amount of the net operating loss sustained by the partnership and the amount

of the Petitioner's distributive share of that partnership loss.

The Petitioner and Respondent have further stipulated that Burns Investment Company billed a corporation by the name of Crossbow, Inc. for an amount of \$36,780.44. A true and correct copy of those invoices are attached to the stipulation of facts, and incorporated therein as Joint Exhibits 5-E through 9-I.

[7] Oral testimony will show that those invoices were paid during the taxable year 1966 and will further show the nature of the expenditures represented by those invoices.

The Petitioner and Respondent have jointly stipulated —

THE COURT: Are you just reading the stipulation?

MR. DOAN: No, Your Honor.

THE COURT: All right. It will be in the record I assume. I just don't want a duplication. Refer to it if necessary to bring out the points that you expect to offer proof on.

MR. DOAN: The Petitioner and Respondent have further jointly stipulated that the Petitioner was a partner in Echo Development Company during the taxable year 1966 and the partnership agreements will be offered as Joint Exhibit 10-J to the stipulation of facts. Oral testimony will further show that Echo Development Company was engaged in the business of inventing, developing and obtaining patents on a telephone answering device and that the rights to this device were available for licensing or sale during the taxable year 1966.

The Petitioner and Respondent have further stipulated that Petitioner was in fact a member of that partnership. Oral testimony will show that Currier Enterprises was engaged in the business of inventing, developing and obtaining patents on this tape recording device during the taxable year 1966. The [8] Petitioner and Respondent have

also jointly stipulated that Echo Development Company and Currier Enterprises have filed Federal income tax returns, form 1065 for the taxable year 1966, and these will further show that the Petitioner was a partner in those partnerships.

The Petitioner will show through oral testimony and the introduction of documents that he was engaged in the trade or business of inventing, developing and obtaining patents on at least three devices during the taxable year 1966, namely the Trashaway through Burns Investment Company, the telephone answering device through Echo Development Company, and a tape recording device through Currier Enterprises; and finally, that by virtue of these combined activities the Petitioner was, during the taxable year 1966, carrying on a trade or business of inventing, developing and obtaining patents, and that expenses in question were incurred in connection with that trade or business.

THE COURT: Let me ask you a question. You stated in the beginning something about the principal issue involved.

MR. DOAN: Yes, Your Honor.

THE COURT: Can you restate that for my benefit?

MR. DOAN: The issue to be decided in the case is whether the Petitioner is entitled to deduct on his 1966 Federal income tax return his distributive share of a net operating loss sustained for the taxable year 1966 by Burns [9] Investment Company which is a partnership.

THE COURT: Very well.

OPENING STATEMENT ON BEHALF OF
RESPONDENT

By Mr. Jansen

MR. JANSEN: If it please the Court, the case does involve income tax for the year 1966 in the amount of

\$6,247.00. I think that Mr. Doan has adequately stated the issue involved, and also he has given to the Court some insight as to the basic facts involved in this case.

It is Respondent's position, Your Honor, that at no time during the taxable year 1966 was the Petitioner Edwin A. Snow in the trade or business of inventing. It is also our position that at no time during the taxable year 1966 was the partnership known as the Burns Investment Company an existing trade or business.

Your Honor, the parties have agreed to a stipulation of facts in this case and at this time I would like to present a written stipulation of facts together with attached exhibits 1-A through 13-M.

Your Honor the parties have also agreed to an oral supplementary stipulation of facts which includes Joint Exhibits 14-N through 22-V.

THE COURT: All right. You have a stipulation of facts with Joint Exhibits 1-A through 13-M, and in addition to that you wish to make an oral stipulation.

[10] MR. JANSEN: That's right, Your Honor.

THE COURT: Plus exhibits in connection with that.

MR. JANSEN: Well, Your Honor, the oral stipulation —

THE COURT: Wait a minute. Let's take them one step at a time. The stipulation of facts together with Joint Exhibits 1-A through 13-M inclusive will be received in evidence.

(The stipulation of facts and the documents previously marked for identification as Joint Exhibits Nos. 1-A through 13-M were received in evidence.)

THE COURT: Now you can offer the oral stipulation. You don't have that in writing?

MR. JANSEN: Your Honor, the oral stipulation relates only to documents.

THE COURT: Then in effect you are orally agreeing as to the identification of documents.

MR. JANSEN: That's right, Your Honor. Those documents are numbered and lettered 14-N through 22-V.

THE COURT: All right Joint Exhibits 14-N through and including 22-V and the oral stipulation in regard thereto will be received in evidence.

(Oral stipulation of facts and the documents previously marked for identification as Joint Exhibits Nos. 14-N through 22-V were received in evidence.)

THE COURT: Does Petitioner wish to proceed?

MR. DOAN: Your Honor, for our first witness I would [11] like to call the Petitioner, Mr. Edwin A. Snow.

THE COURT: Well, if it isn't too inconvenient, I will permit the witness to stand where you are and you can stand off to the side and interrogate him. We simply do not have a regular witness chair here where we can seat you and at the same time see and hear you.

Edwin A. Snow

was called as a witness on behalf of the Petitioner, and, having been first duly sworn, testified as follows:

THE CLERK: State your name and address for the record.

THE WITNESS: Edwin A. Snow, 2444 Madison Road, Cincinnati, Ohio.

DIRECT EXAMINATION

BY MR. DOAN:

Q. Mr. Snow, where are you employed?

A. Procter and Gamble.

Q. What position do you hold with that company.

A. I'm Vice President and member of the Board of Directors.

Q. Mr. Snow, how long have you been with the Procter and Gamble Company?

A. Since September 1, 1933.

Q. Could you briefly describe the positions you have held with the company?

[12] A. I joined the advertising department, then became Associate Advertising Manager of the Company, then the Advertising Manager and Vice President for Advertising; then I moved from Advertising to General Management. Over the years I managed a number of the operating divisions of the company and I presently have five operating divisions under my wing, and that is my present position.

Q. Mr. Snow, we are here primarily concerned with your Federal income tax return for the taxable year 1966. Were you actively engaged in any other business activity in addition to your position with Procter and Gamble Company during the taxable year 1966?

A. Yes.

Q. And what might I ask was that, Mr. Snow?

A. The principal business was involved in some partnerships which were concerned with developing, patenting and marketing new products.

Q. Do you remember the names of those partnerships?

A. Yes, there was Burns, Echo and Currier, as you described earlier.

Q. Were those partnerships operated under a written partnership agreement?

A. Two I believe were in 1966. All of them were in 1966, although earlier in 1966 it was a verbal agreement I had with the other parties.

[13] Q. When did you become a partner in Burns Investment Company?

A. Verbally and by agreement with some of the other partners I would judge around February or March of 1966.

Q. Now, why do you believe it to be January, or did you say February or March?

A. February or March to the best of my recollection.

Q. Why do you believe it to be that period of time?

A. Because I recall having seen a copy of a letter from the patent attorneys which indicated that the Burns device now called Trashaway had certain mechanical features which would be subject to, probably be subject to strong patent protection.

Q. Mr. Snow, could you briefly describe the nature of the business of Burns Investment Company?

A. Yes. It was in the business of developing, patenting, inventing and marketing the Trashaway incinerator device.

Q. Now was the Burns Investment Company engaged in this activity during the taxable year 1966?

MR. JANSEN: Your Honor, I'm going to object to the characterization of the activity of partnership as being a business. I think that's what is in issue in this case.

THE COURT: Will you read the question please, Miss Reporter?

(Question read.)

[14] MR. DOAN: Your Honor, that's no characterization. I merely asked him the nature of the activity.

THE COURT: I gather he's asking for the activity of the Burns Investment Company.

MR. JANSEN: Yes, Your Honor, that's true. This question relates to the prior question, but in this particular question he did not mention the term business.

THE COURT: The other question has gone by and been answered and now we have only this one question before us. Overrule the objection.

BY MR. DOAN:

Q. You may answer the question.

A. Will you repeat the question?

Q. Will you describe the activity of Burns Investment Company during the taxable year 1966?

A. Yes, we were in the business of inventing, developing, perfecting, patenting and marketing the device known as Trashaway incinerator device.

MR. JANSEN: Your Honor, I'm going to object to the characterization of the activity as business and move that the answer be stricken.

THE COURT: On what grounds? You are objecting to him describing what the business or activity of the Burns Investment Company was?

MR. JANSEN: Yes, Your Honor. The question related [15] to the activity of the operation. The witness has responded by indicating that the business of that activity was certain things rather than indicating what the activity of the operation was.

THE COURT: I'll overrule the objection.

BY MR. DOAN:

Q. Now, Mr. Snow, may I ask you to describe to the Court the nature of your activity as a member of Burns Investment Company during the taxable year 1966?

A. Summarizing, I would say working with the other partners, principally Mr. Trott, counseling on the further development of the device, selection of the trade mark name, methods of marketing, and all of the various aspects that might have to do with bringing this product to market successfully.

Q. Mr. Snow, you mentioned Mr. Trott. Would you explain who Mr. Trott is?

A. Mr. Tross is one of the partners, the managing partner of the Burns Enterprises.

Q. Mr. Snow, did you participate in designing the Trashaway?

A. Only to, I'm not an inventor. It was only to the extent of suggesting modifications and further improvements, which in my judgment would make the product more successful and more marketable.

[16] Q. Did you at any time make recommendations as to the product design?

A. I did.

Q. Were your recommendations adopted by the partnership?

A. To some extent, yes.

Q. Mr. Snow, would you say that the design effort that went into the development of the Trashaway was a substantial part of the over all development?

MR. JANSEN: Objection, your Honor, the question calls for a conclusion.

THE COURT: I'll let him answer. Overrule the objection.

THE WITNESS: Yes.

BY MR. DOAN:

Q. Mr. Snow, is the design of a product something that can be patented?

A. Yes.

THE COURT: You don't mean as a separate patent, do you, but it enters into the article for which a patent is obtained.

MR. DOAN: Your Honor, I do mean precisely that.

THE COURT: Are you asking him if the design alone can be patented aside from the mechanical parts of the patents?

MR. DOAN: Yes, Your Honor.

[17] THE COURT: All right, go ahead.

THE WITNESS: It is my understanding the answer is yes.

THE COURT: Well, in this case did you get any separate patent for design?

THE WITNESS: No, sir.

THE COURT: You don't need to go into probabilities. Stick to facts.

BY MR. DOAN:

Q. In this particular case, you stated that you became a partner in Burns Investment Company in February or March of 1966. Was there an existing model of the incinerator device at that time?

A. Yes.

Q. Was that model changed after you became a member of Burns Investment Company?

A. Yes.

Q. Was it changed from a design standpoint?

A. Yes.

Q. Was it changed from the mechanical functioning standpoint?

A. To a degree, yes.

Q. Now, at the time then you became a partner in

Burns Investment Company, could you describe what Burns Investment Company owned or what it had?

[18] A. Well, at the time it had a crude prototype model, of an incinerator device, and early in the game in 1966 an indication as I said earlier from patent counsellor that the mechanical system which was used as a basis for this invention was patentable.

MR. DOAN: Will you please mark this as Petitioner's Exhibit 23.

THE CLERK: Petitioner's Exhibit 23 marked for identification.

(The document referred to was marked for identification as Petitioner's Exhibit No. 23.)

BY MR. DOAN:

Q. Mr. Snow, I hand you this document and ask you to briefly describe to the Court what it is.

A. This is a document from the law offices of Wood, Herron and Evans, patent counsel, stating that in their best opinion the device described —

MR. JANSEN: Objection, Your Honor. The question was what is this document and he's going into the content.

THE COURT: I'll sustain the objection. You were asked for the identification. It is a memorandum received from patent counsel whom you have just named. What is the date of it?

MR. DOAN: February 22, 1966, and at this time I would like to formally offer it in evidence.

[19] THE COURT: Any objection?

MR. JANSEN: Your Honor, we have no objection.

THE COURT: Document referred to will be received in evidence as Petitioner's Exhibit 23.

(The document previously marked for identification as Petitioner's Exhibit No. 23 was received in evidence.)

BY MR. DOAN:

Q. Mr. Snow, do you remember anything in particular that might have induced you to become a member in the partnership known as Burns Investment Company?

A. Yes, several things. First in my judgment, confirmed by patent counsel, they had a unique and marketable way of incinerating or burning trash. Second, I felt that there was a considerable market for this kind of equipment and no such piece of equipment was then available on the market.

MR. DOAN: Will you please mark this as Petitioner's Exhibit 24?

THE COURT: Let the Clerk give you the numbers. I don't want to get mixed up on the record.

THE CLERK: Petitioner's Exhibit 24 marked for identification.

(The document referred to was marked for identification as Petitioner's Exhibit No. 24.)

BY MR. DOAN:

Q. Mr. Snow, will you briefly describe this document to [20] the Court.

A. This is a communication from the law offices of Wood, Herron and Evans, which gives an opinion that the device described which is fundamental to the development of what is referred to —

MR. JANSEN: Your Honor, objection.

THE COURT: It is a memorandum received from patent counsel.

MR. DOAN: Just give the date.

THE WITNESS: Oh, I see. December 10, 1965.

MR. DOAN: At this time I formally offer it into evidence.

MR. JANSEN: Your Honor, there's no objection.

THE COURT: Document referred to will be received in evidence as Petitioner's Exhibit 24.

(The document previously marked for identification as Petitioner's Exhibits No. 24 was received in evidence.)

BY MR. DOAN:

Q. Mr. Snow, was Burns Investment Company successful in obtaining a patent on this device known as the Trashaway?

A. Yes.

Q. Have you applied for patents in any countries other than the United States?

A. Yes, in fourteen different countries. It is my understanding, although I can't name them, some of these patents [21] have been issued.

Q. Mr. Snow, is the Trashaway device in production today?

A. Yes.

Q. Can you go out on the market and buy a Trashaway?

A. Yes.

Q. Mr. Snow, are you active in Burns Investment Company today?

A. Very active in Burns Investment.

Q. What is your position with that company?

A. I'm Chairman of the Board of that Company.

THE COURT: That is a corporation?

MR. DOAN: No, Your Honor, I'll clarify that point.

THE COURT: All right.

BY MR. DOAN

Q. Mr. Snow, has the business form of Burns Investment Company changed since it was originally organized in 1966?

A. Yes.

Q. What form is it today?

A. A corporation, and my recollection is that we incorporated in 1969.

Q. Mr. Snow, you indicated earlier that you worked with a Mr. Trott.

A. Yes.

Q. Did you meet regularly with Hr. Trott during 1966?

[22] A. Yes, rather frequently, possibly an average of two or three time a month.

Q. Did you have occasion to communicate with him other than through meetings?

A. Yes, through correspondence and by telephone.

Q. Mr. Snow, you stated earlier that the business of, I'll rephrase that, that the activity of Burns Investment Company during the taxable year 1966 was to invent, develop, patent and commercially exploit the Trashaway.

A. Yes.

Q. Did you during 1966 contemplate that Burns Investment Company would manufacture this Trashaway?

A. Not in the original form of the prototype mode. We were hopeful however that continuing product development would lead to a finer product which would then be available for sale.

Q. Mr. Snow, how was the manufacturing and marketing of the Trashaway finally handled?

A. Handling is a rather broad term. The Burns Corporation was primarily responsible for perfecting the model and getting the product ready for market. During the course of that, what I would term mechanical development, we had a number of meetings and conversations between the partners with reference to how it should be marketed and various ways of test marketing the product once it was finally developed.

Q. Now, does Burns Investment Company actually manufacture [23] this item today?

A. I will say yes and no. Many of the component parts are manufactured outside, and some of the assembly work is done by Burns Corporation.

MR. DOAN: Will you mark this.

THE CLERK: Petitioner's Exhibit Number 25 marked for identification.

(The document referred to was marked for identification as Petitioner's Exhibit No. 25.)

BY MR. DOAN:

Q. Mr. Snow, I hand you this document and ask you to briefly describe what it is.

A. It is an illustration of a leaf burner filed June 10, 1968. I may have a little trouble here because when you say describe a document, my being a layman and not a lawyer, a description can be one of many things. I'm not sure my description is adequate.

THE COURT: You just do your best and let your counsel —

THE WITNESS: Direct me, and the Judge.

MR. DOAN: Your Honor, I offer into evidence at this time the patent on the leaf burning device which is known as the Trashaway.

THE COURT: That is the patent?

MR. DOAN: Yes, Your Honor.

[24] MR. JANSEN: Your Honor, Respondent has no objection.

THE COURT: Document received in evidence as described, as Petitioner's Exhibit 25.

(The document previously marked for identification as Petitioner's Exhibit No. 25 was received in evidence.)

BY MR. DOAN:

Q. Mr. Snow, you also mentioned you were a partner in a second partnership known as Echo Development Company.

A. Yes.

Q. Would you briefly describe the activities of Echo Development Company?

A. Again it has to do with the development, inventing, patenting, and marketing of a new product, and this is a mechanical device that is referred to as a telephone answering piece of equipment.

Q. Do you remember when you became a member of that partnership?

A. Yes, in 1965.

Q. Do you know, Mr. Snow, if Echo Development Company was successful in obtaining a patent on that telephone answering device?

A. The answer is yet, it was successful.

THE CLERK: Petitioner's Exhibit Number 26 marked for identification.

(The document referred to was [25] marked for identification as Petitioner's Exhibit No. 26.)

BY MR. DOAN:

Q. Mr. Snow, I hand you this document and ask that you briefly describe what it is.

THE COURT: Is that also a copy of a patent for this so-called telephone answering device?

MR. DOAN: Yes, Your Honor.

THE COURT: Then that's sufficient.

MR. JANSEN: We have no objection.

THE COURT: Are you offering it?

MR. DOAN: Yes, Your Honor.

THE COURT: The document referred to will be received in evidence as Petitioner's Exhibit No. 26.

(The document previously marked for identification as Petitioner's Exhibit No. 26 was received in evidence.)

BY MR. DOAN:

Q. Mr. Snow, at the time you became involved in Echo Development Company, were there any plans for commercially exploiting the telephone answering device?

A. Yes.

Q. And how did you propose to do that?

A. Based on evidence better confirmed by patent, it was felt this might be licensed to some manufacturer for manufacture and sale.

[26] Q. Did Echo Company hold this patent available for sale or licensing?

A. Yes.

Q. Mr. Snow, do you remember when that patent was applied for?

A. I'll have to refer to my notes. This is Currier, is it not?

A. No, Echo.

A. Patent applied for August 15, 1966.

Q. Mr. Snow, did the partnership Echo Development Company have a perfected model during 1966?

A. Yes.

Q. Was it a working model?

A. Yes.

Q. And did it function?

A. Yes.

MR. DOAN: Will you mark this please?

THE CLERK: Petitioner's Exhibit Number 27 marked for identification.

(The document referred to was marked for identification as Petitioner's Exhibit No. 27.)

BY MR. DOAN:

Q. Mr. Snow, will you briefly describe this document?

A. It is entitled "Echo Development Company, March 1, 1966 report."

[27] MR. DOAN: Your Honor, I offer into evidence the Echo Development Company 1966 report.

MR. JANSEN: Your Honor, we have no objection.

THE COURT: Document referred to will be received in evidence as Petitioner's Exhibit No. 27. Is that a financial report?

MR. DOAN: No, Your Honor, it is a progress report on the development.

THE COURT: All right.

(The document previously marked for identification as Petitioner's Exhibit No. 27 was received in evidence.)

MR. JANSEN: Excuse me, Your Honor, may I ask the date on that document?

MR. DOAN: March 3, 1966.

THE CLERK: March 1st.

THE WITNESS: March 1st.

BY MR. DOAN:

Q. Mr. Snow, you further stated earlier in your testimony that you were a member of a partnership known as Currier Enterprises.

A. Yes.

Q. Would you briefly describe the activities of Currier Enterprises?

THE COURT: Is that C-o-u-r-i-e-r?

MR. DOAN: Yes.

[28] THE WITNESS: Courier was engaged in the business of developing, inventing, patenting, and marketing an electronic device, in this instance a tape recorder.

BY MR. DOAN:

Q. Mr. Snow, was the partnership successful in obtaining a patent on the tape recording device?

A. Yes.

Q. Was the partnership actively pursuing this venture during the taxable year 1966?

A. To my recollection, yes.

Q. Mr. Snow, do you remember when the partnership Courier Enterprises was formed?

A. Yes, in March 1965.

MR. DOAN: Will you mark this.

THE CLERK: Petitioner's Exhibit Number 28 marked for identification.

(The document referred to was marked for identification as Petitioner's Exhibit No. 28.)

BY MR. DOAN:

Q Mr. Snow, will you briefly describe this document to the Court?

A. I assume this is a patent, isn't it?

Q. Yes.

A. I'm not familiar with these things. It is called Endless Tape Recorder and cartridge filed November 22, 1967.

[29] MR. DOAN: Your Honor, I offer the letters patent on the tape recording device in evidence.

MR. JANSEN: No objection.

THE COURT: The document referred to will be received in evidence as Petitioner's Exhibit 28.

(The document previously marked for identification as Petitioner's Exhibit No. 28 was received in evidence.)

BY MR. DOAN:

Q. Mr. Snow, did you personally participate in the management development of Burns Investment Company, Courier and Echo Development?

A. Yes.

Q. What was the purpose of having these separate partnership entities?

A. It was two fold in order of importance. First, different individuals and potential partners and investors might have a different appraisal of the particular profit opportunity offered by the individual prices, so in order to form a partnership it was better to keep them separate. If I liked one and somebody else didn't like it, an investor didn't have to take all three at once. I selected the ones that had the best profit opportunity for me in my judgment. And the second reason is that if the form of market-

ing took that of licensing to another manufacturer, the manufacturer of a tape recorder might be a quite different person than the manufactur- [30] er of an incinerator, and it gave us some flexibility in making these approaches.

Q. Now, Mr. Snow, you mentioned that Mr. Trott was the managing partner, I believe.

A. Yes.

THE COURT: Of which one?

THE WITNESS: Of all three, sir.

BY MR. DOAN:

Q. Mr. Trott was the managing partner of all three partnerships?

A. Yes, sir.

Q. How long have you known Mr. Trott?

A. Well, for approximately thirty years.

Q. Have you had an occasion to work with Mr. Trott?

A. Yes, he was one of my associates at Procter Gamble.

Q. And you were, were you then familiar with Mr. Trott's business activities?

A. As far as I could at that time, we were involved in Procter and Gamble and I was quite familiar with them, yes.

Q. Did you have any other business ventures in which you and Mr. Trott jointly participated?

A. Not prior to the time that Mr. Trott left Procter and Gamble to form his own business partnerships.

Q. Mr. Snow, did you become a partner in Burns Investment Company, Courier Enterprises and Echo Development Company [31] for the purpose of realizing a profit on your activities?

A. Certainly.

Q. Did any of the partnerships that I have just mentioned have a product or service which it held available for sale during the year in question, 1966?

A. According to my recollection all of them did with the exception, and I believe I answered this question earlier, at least in my personal judgment the original crude prototype model of the incinerator Trashaway was not then ready for sale.

MR. JANSEN: Your Honor, I'm sorry, I did not hear the last part of the answer.

THE WITNESS: Could you repeat the answer?
(Answer read.)

BY MR. DOAN:

Q. Mr. Snow, did you consider yourself to be involved in the trade or business of inventing, developing new products by virtue of your activities in these partnerships?

A. Yes.

MR. DOAN: I have no further questions.

THE COURT: Cross examine.

CROSS EXAMINATION

MR. JANSEN: Your Honor, would it be possible for me to use the podium? Could we position the witness at this table?

THE COURT: He's going to be facing you most of the [32] time. I think we'll keep the arrangement we have.

THE WITNESS: Could I stand here?

THE COURT: Let me determine where you are going to stand or sit. You stand there at that podium and answer his questions. It's inconvenient to try a case in this Courtroom without a witness stand and not being able to see the Clerk, the Reporter or the witness. This is the best we can do under the circumstances.

BY MR. JANSEN:

Q. Now, Mr. Snow, you have indicated you have been

employed with Procter and Gamble since about 1933. I assume this has been a full time position since 1933, is that correct?

A. I have been employed by the company during that entire interval, yes.

Q. In other words you had been employed on a forty hour work week basis regularly for that period of time?

A. I don't punch the clock, but it's at least that.

Q. Would you say as a rule you put in forty hours a week?

A. Yes.

Q. More than forty hours a week?

A. Yes.

Q. Fifty hours a week?

A. Probably.

Q. Sixty hours a week?

[33] A. I doubt it.

Q. Fifty-five hours a week?

THE COURT: Well, let's say as an executive he puts in at least forty hours a week or more. I think your position has been more or less that of an executive of Procter and Gamble, most of that time certainly during the years involved in this case.

THE WITNESS: Yes.

THE COURT: You are still so employed.

THE WITNESS: Yes.

BY MR. JANSEN:

Q. Are you required to travel in your position?

A. To some extent.

Q. To what extent?

A. In recent years very little, perhaps two or three trips a year. Earlier I had different functions with the company where it involved a great deal of travel.

Q. When you say recent years you mean the last three years?

A. Three to five years.

Q. Prior to this recent period you had to do a great deal of traveling; in terms of days, ten days, fifteen days a month, what is it?

A. More like four or five days a month.

Q. What is your educational background, Mr. Snow? Do [34] you have a college degree?

A. Yes, I was a graduate of Stanford University and Harvard Graduate School of Business.

Q. And your prior background is in the business area, Bachelor of Arts and Business, Bachelor of Science and Business Administration?

A. I'm not sure I understand the question.

Q. What degrees do you hold, Mr. Snow?

A. Bachelor of Arts and Economics, Stanford, Master's Degree in Business Administration at Harvard.

Q. Have you during the college days, did you take any courses dealing with engineering?

A. No, sir.

Q. In your own name, Mr. Snow, have you ever filed an application for a patent?

A. No.

Q. You have no patents ever issued to you?

A. No.

Q. You have indicated on direct examination that you have known Mr. Trott for approximately thirty years. Did you know Mr. Trott prior to the time you became employed with Procter and Gamble?

A. No.

Q. You then met Mr. Trott through your association with Procter and Gamble?

[35] A. Specifically Mr. Trott joined the company after I was already employed there.

Q. And have you spent the majority of your services with P and G in Cincinnati?

A. Yes.

Q. And Mr. Trott, I assume, has done the same thing?

A. No. There was a period, resident of Cincinnati, yes, and also a resident outside of the country because for a period he was employed in the International Divisions, including one job as manager of our business in Mexico.

Q. Did you have over the period of years a social relationship with Mr. Trott?

A. Yes.

Q. To what extent was there a social relationship?

MR. DOAN: Objection, Your Honor.

THE COURT: I'll sustain the objection. I don't see the relevance.

BY MR. JANSEN:

Q. Are you related by marriage to Mr. Trott?

A. No.

Q. Do you have a daughter or son that's married to —

MR. DOAN: Objection, Your Honor, I see no relevancy.

THE COURT: What was the question, do you have a daughter or son, what? Read the question, Miss Reporter.

(Question read.)

[36] THE COURT: Do you want to complete your question?

BY MR. JANSEN:

Q. Mr. Snow, do you have a son or daughter who was married to one of Mr. Trott's sons or daughters?

MR. DOAN: Objection, Your Honor.

THE COURT: Sustain the objection unless you can point out to me some possible relevancy of a question of that character.

MR. JANSEN: Your Honor, we'll go to the next question.

Q. Mr. Snow, let's discuss a little bit, if you can, your activity with this Burns Investment Company prior to the time of the formation of the partnership, in other words prior to July of 1965. Were you aware that Mr. Trott was working on this Trash burner concept?

A. Yes.

Q. And how were you made aware of that fact?

A. Through discussion with him.

Q. And where did those discussions take place as a rule?

A. As a rule I would say in his home.

Q. And what was the occasion of your being present at Mr. Trott's home?

MR. DOAN: Objection, Your Honor.

THE COURT: What is the relevancy of that question? Tell me what you're driving at. Maybe I'll understand it.

[37] MR. JANSEN: Your Honor, the issue involved in this case is in determining if there was an existing trade or business in the year 1966 with respect to the Burns Investment Company. Mr. Snow was a full time executive with Procter and Gamble, he spent many hours with that company.

THE COURT: Now isn't it a question of whether or not he is engaged in a trade or business, I gathered from the opening statements, whether he is engaged in a trade or business of inventing and developing patents.

MR. JANSEN: Your Honor, that is true. The issue does relate to Mr. Snow personally, but it also relates to the

partnership entity Burns Investment Company. Were they an existing trade or business in 1966, and it is Respondent's position that they were not.

THE COURT: You mean that the partnership was not in existence at that time?

MR. JANSEN: No, Your Honor, we acknowledge the existence of the partnership but we don't believe that they were an existing trade or business from the standpoint that they were a going trade or business.

THE COURT: I'll sustain the objection.

BY MR. JANSEN:

Q. Mr. Snow, you have indicated that you were aware of the existence of this product concept that Mr. Trott was developing at this time. Did you actually perform any services [38] with Mr. Trott prior to the formation of the partnership in developing this product concept?

A. I would answer that by saying depending on your definition of service. I was familiar with the concept, I had a good deal of confidence in it, I saw the crude prototype model demonstrated on a number of occasions, and participated in initial thinking with regard to how the product might eventually be marketed, sold, trade-marked and so forth.

THE COURT: May I interrupt and see if I can shorten this a little bit. Was Mr. Trott an inventor?

THE WITNESS: Yes.

THE COURT: Did he invent this from the mechanical standpoint?

THE WITNESS: Yes.

THE COURT: This Trashaway or incinerator, he's the one who invented it.

THE WITNESS: Yes.

THE COURT: And you knew he was working on it.

THE WITNESS: I certainly did.

THE COURT: Before you became a limited partner, I believe, in the Burns Investment Company.

THE WITNESS: Correct.

THE COURT: And you had discussions with Mr. Trott about what he was doing, which eventually led you into entering into partnership with him.

[39] THE WITNESS: Yes.

THE COURT: For the purpose of putting it on the market so as to be able to sell it, complete the development, sell it and make a profit.

THE WITNESS: Hopefully make a profit.

THE COURT: What more do you need?

MR. JANSEN: Your Honor, we'll turn to a different area of questioning.

THE COURT: Behind all that whatever the partnerships were in, is the principal question as far as Mr. Snow is concerned whether he was in a trade or business of this character.

BY MR. JANSEN:

Q. That's right, Your Honor. Mr. Snow —

THE COURT: I think it's a little more simple than you're trying to make it, both of you.

BY MR. JANSEN:

Q. Mr. Snow, I hand you what has been marked for identification purposes as Joint Exhibit 1-A which is, this is actually your Federal income tax return for the year 1966. Schedule C of that return at item A at the top, would you read Item A of the tax return.

THE COURT: Well, ask him your question. The exhibit is in evidence. What is it you're trying to develop?

MR. JANSEN: Item A reads principal business [40] activity, "thoroughbred race horse operation."

MR. DOAN: Your Honor, I object. That has nothing to do with the case.

THE COURT: He is pointing out what is contained in an exhibit you jointly filed in this case. This is Exhibit 1-A.

MR. JANSEN: It is Schedule C. I don't believe the pages are numbered. It is the first Schedule C shown on the return.

THE COURT: The return speaks for itself. You're asking him what it shows on there.

BY MR. JANSEN:

Q. Mr. Snow, how many hours during the year 1966 did you devote to this business?

A. Which business.

Q. Item A as indicated on this Schedule C, thorough bred race horse operation?

THE COURT: Just a moment, I'm evidently looking at a different one than you are.

MR. DOAN: Your Honor, it is the second Schedule C in the tax return.

MR. JANSEN: Unfortunately, Your Honor, the pages are not marked or numbered.

THE COURT: Apparently there is more than one Schedule C attached and you're looking at one of them. All [41] right, go ahead and ask your question. The exhibit shows on that particular Schedule C in answer to principal business activity "Thoroughbred Race Horse Operation." Another one over there refers to similar question as oil operator, M G O Stone Oil Company. I don't know whether there are any more in here or not. It's in the record.

BY MR. JANSEN:

Q. The question is with respect to the thorough bred

race horse operation, how many hours per week or month did you devote to that business, Mr. Snow, during the year 1966?

A. Well, that would be difficult if not impossible to estimate.

Q. Would you try to make an estimate? Would you say two hours a week, or what exactly —

A. I think that would — (nodded)

MR. DOAN: I object to the relevancy of the question.

THE COURT: The question is how much time he spent in the business of the thorough bred race horse operation. Can you give any estimate?

THE WITNESS: As I say it would be difficult to estimate, but my best judgment would be three or four hours a week on the average, throughout the year. It's different from time to time.

BY MR. JANSEN:

Q. That's approximately twelve hours a month then?

[42] A. Well, that's my best recollection.

Q. All right. Now, Mr. Snow with respect to the other Schedule C, the Stone Oil Company. Did you devote any time to the operation of that business in 1966?

A. Yes.

Q. Approximately how much time on a per week or per, let's make it on a per week basis.

A. In this instance I would estimate approximately an hour a week.

Q. So with respect to both of these additional businesses, Mr. Snow, you have estimated that you would devote approximately fifteen hours per month, in that correct.

A. If those add up in that fashion, yes.

Q. Now, Mr. Snow, directing your remarks to the Echo Development Company which of course you joined

the partnership in 1965. Approximately how many hours on a per week basis did you devote to that partnership in 1966?

A. I don't recall.

Q. Did you devote any hours to Echo Development Company in the year 1966?

A. Certainly.

Q. Could you estimate approximately how many?

A. It would be very difficult because at that time, working with various partners and Mr. Trott, we had many discussions, most of them after P and G hours, on the prospects [43] of these inventions and these devices.

Q. Well, would you say, if you had many discussions, Mr. Snow, would you say on an average, couldn't you give us an average as to approximately how much time was devoted to this business?

A. Which business?

Q. Echo Development Company.

A. Possibly an hour a week.

Q. One hour a week, approximately four hours a month?

A. Hmm hmm.

Q. With respect to Courier Enterprises, of which you were a partner in 1966, approximately how many hours per week did you devote to that operation?

A. I'd say perhaps an hour. That's the best off hand judgment. This is almost impossible to allocate your time twenty-four hours a day.

Q. I understand that you're approximating. Finally Burns Investment came into existence during July of 1966, tax returns which have been stipulated indicate that business was commenced on August 1 of 1966; between August 1 of 1966 and December 31, 1966, approximately how many

hours per week did you devote to Burns Development Company?

A. I can't recall.

Q. Would you say that the number is similar to the number of hours spent on Echo and Courier?

[44] A. Similar but I absolutely cannot recall.

Q. Approximately.

A. Even approximately is very difficult. You must understand that.

Q. You have indicated, Mr. Snow, that you did spend approximately one hour per week with respect to each one of these partnerships. How was that time spent?

A. The time was spent primarily in discussions with Mr. Trott with reference to each of the inventions and enterprises and prospects, the way it should ultimately be marketed and at times in watching demonstrations of these devices.

Q. Were these formal meetings called by Mr. Trott and yourself?

A. In some instances.

Q. How were the meetings called? Were all the partners present?

A. In some instances, yes. In others, no.

Q. Was there a written piece of correspondence which summoned all the partners together for a formal business meeting?

A. I can not recall. My recollection is that we met several times on the basis of telephone conversations.

Q. Where were the meetings held, Mr. Snow?

A. Some of them were held in the offices of Cross Bow which was earlier referred to. That's a corporation in which [45] Mr. Trott is involved.

THE COURT: We'll recess for lunch until two o'clock.

(Whereupon, at 12:30 p.m. a recess was taken until 2:00 o'clock p.m.)

[46] AFTERNOON SESSION 2:00 p.m.

THE COURT: Are you ready to proceed?

MR. JANSEN: Yes, Your Honor.

THE COURT: All right, Mr. Snow, do you want to come back to the witness stand? And it is a witness stand.

CROSS EXAMINATION (cont'd.)

BY MR. JANSEN:

Q. Now, Mr. Snow, before we broke for lunch we were discussing the amount of time you spent with Burns and Echo and Courier and this line of questioning. Now to pick up this afternoon, on direct examination this morning, you indicated that one of your activities with Burns Investment Company was to counsel on the development of the product. Is that a proper restatement of your testimony this morning?

A. Yes, one of them.

Q. How exactly did you counsel on the development of the product?

A. The original prototype which embodied the basis of the path or the mechanical way of putting air into this thing to get stronger combustion to my mind was housed in something that was unwieldy, not as portable as it should be, not as attractive as it should be, so I was one among others who felt the design could be improved and would be more marketable or we'd sell more or make more profit out of it if some further refinements in design were made, and I had some specific [47] suggestions along the directions I thought this should take in view of my own concern.

Q. Do you recall when the suggestions were made with respect to this particular innovation in the design?

A. Not specifically, but I would judge it was over a period of time as the design developed. It might readily have started in late '65 as a matter of fact, at which time there was a prototype device.

Q. As I interpret your response to that question, this is one innovation that you have recommended in regard to this trash burner?

A. Yes.

Q. Can you give us some examples of other innovations you may have suggested?

THE COURT: Let me ask one question. Were these suggestions of yours, did they mainly have to do with the looks of it, or did they have anything whatsoever to do with the mechanical operation of it? Was it to make it more attractive looking to a purchaser?

THE WITNESS: Primarily, yes.

THE COURT: Why do you need to go so far into that?

MR. JANSEN: Your Honor, we're going to get away from that area in just a moment.

Q. Mr. Snow, this morning there was admitted into evidence a letter dated December 10, 1965 which was addressed [48] to Mr. Trott, which you identified the contents of as coming from Mr. Konold who was a patent attorney. This is Petitioner's Exhibit number 24.

A. Yes, sir.

Q. Mind you, Mr. Snow, this letter is dated December 10, 1965. Are you familiar basically with the contents of this letter?

A. Yes.

Q. I notice in here that there are various suggestions made as to how improvements can be made on this design

product concept of Mr. Trott's. Were these improvements subsequently made to the trash burner?

A. I can't answer that precisely because I frankly have not read that letter for four or five years. So the ones specifically mentioned by the attorneys I cannot be sure they were followed or to what degree they were followed.

Q. Also this morning, Mr. Snow, you mentioned that you were active in the marketing of the Burns Development Company product. Can you recall what marketing efforts you expended in 1966 in regard to the Burns product?

A. In a general way, yes, and here I might do a little volunteering. I feel with thirty years with P and G experience primarily in marketing, I have faced marketing problems on scores of products, many hundreds of kinds, and you face a little expertise here, if you will. This could be sold through [49] agents, distributors, it could be sold through direct mail, through television advertising, many, many different ways in which there was advertising and marketing, and Mr. Trott and I had many, many conversations as to the probable direction in which we should go or at least should test various ways and try to find out how much it cost in relation to the return we got to find the best way of putting it to market.

Q. Specifically then, getting back to my original question, what efforts did you expend in the marketing field with respect to Burns' product in 1966?

A. I would answer a great deal, but I cannot put it in terms of time. Some times you can see a problem and see a solution rather rapidly, and other times wake up in the morning with an idea. You were questioning me earlier about how much time I put in. I'd say a great part of my time was not spent in meetings as such but thinking about the over all problem and trying to get some points of view.

Q. Mr. Snow, keeping this area of examination in your mind, with respect to the Burns venture, this morning you mentioned that Mr. Trott's concept of this trash burner was a unique idea.

A. Yes.

Q. Do you recall that?

A. Yes, indeed. I depended on it.

Q. With respect to Burns, at the time of the formation [50] of this partnership in July of 1965, were you aware of any guarantees made by any party that a patentable product would subsequently result from the research and development work done by Cross Bow Inc.?

A. May I ask you to check your date? I think it was July 1966.

Q. Right, did I say '65? It was July 1966.

A. Now may I have the question again?

Q. Sure. With respect to Burns Development Company at the time of the formation of this partnership in July of 1966, were you aware of any guarantees which were made by any party that the ultimate effect of the research and development work performed by Cross Bow would lead to a patented product?

A. For myself I had strong assurances from that letter to which we just referred, from patent counsel, I believe it was dated December 10, 1965?

Q. Now, Mr. Snow, I mentioned the word guarantees. Did anybody tell you this product would ultimately be patentable?

A. Well, they could not, let me say that that letter and subsequent conversations with more than one partner of that law firm and with independent people led me to believe rather strongly that their opinion was correct. I'm not an expert in patentability, I had to rely on counsel.

Q. I understand that. In July of 1966 then, at the time

you made your initial investment in the partnership, did [51] you feel that there was some risk involved?

A. Yes.

Q. Definitely. So then the venture itself was speculative in nature?

A. Yes.

Q. Mr. Snow, this morning also you mentioned that in 1966 and I may have misinterpreted your response, that Burns was involved in a manufacturing process in 1966. Let me ask you the question this way, to your knowledge was Burns Development Company involved in any manufacturing of any product in the year 1966?

A. Yes, but I'm repeating that to the best of my recollection they were largely assembling components that were made by other manufacturers along with manufacturing some themselves. It was not the full manufacturing and delivery of a unit by someone else to the Burns Corporation.

Q. Where was this assembly taking place?

A. In the building that's occupied by the Cross Bow, Inc.

Q. Were those Burns employees that were doing the assembling?

A. Some of them may have been, but my recollection is that Cross Bow undertook to do a lot of this based on an understanding as to how much of the cost of an individual would be charged to Burns and how much to some of the other things they [52] might have been doing.

Q. This morning —

A. May I mention here —

Q. Sure.

A. Some of the same people might have been involved in work on Echo Development to which we referred earlier, and there had to be some agreement as to how much time

would be allocated to the various partnerships and enterprises.

Q. To your knowledge, Mr. Snow, in 1965 at the time the Echo Development Company, the partnership came into existence, was the product of Echo marketable at that time?

A. Yes.

Q. In 1965 at the time of the formation of the partnership the Echo product was marketable?

A. Yes.

Q. What efforts did you expend in 1965 in marketing that product?

A. I counseled with Mr. Trott and others on a number of occasions as to how it should best be marketed and we concluded in this instance by trying to interest another manufacturer in licensing. We then had a patent applied for our product in undertaking its manufacture and sale on a royalty basis.

Q. Did you contact third persons in regard to that?

A. I did not personally.

[53] Q. Were you charged with the marketing efforts with respect to Echo?

A. No, Mr. Trott was principally making the contacts and several of us, I think quite importantly were talking with him from time to time about the results and directing his attention to potential customers.

Q. With respect to Courier in the year 1965 at the time of that formation, the formation of that partnership, was that product marketable?

A. Could I cut through this by saying I think Echo and Courier were in the same situation.

Q. Did you personally make any contacts with respect to marketing that product with respect to Courier?

A. No, sir.

Q. Mr. Snow, we have stipulated in this case the 1965, 1966 and 1967 partnership returns of Echo Development Company and Courier Enterprises. On none of those returns are there any sales reported and I assume no sales were ever made during those years?

A. That is true.

Q. Why were no sales made?

A. Because the product itself was never offered for sale to my knowledge. The marketing effort there and the best judgment of all of us we should attempt to market the device and the patent in terms of getting another manufacturer to [54] take it on on a licensing basis and undertake its manufacture and market.

Q. With respect to that effort, what efforts did you expend in contacting other manufacturers?

A. I personally as I mentioned before did not contact anyone.

Q. Mr. Snow, directing your attention to the Burns Investment Company only, to the best of your knowledge do you know if at any time subsequent to the year 1966 serious consideration was given to abandoning that project?

A. I can only speak for myself and just say that I have had and continue to have great confidence, and I'd like to own more of it.

Q. The question is do you know if serious consideration was given by yourself personally or by the partnership as a whole to abandoning that project?

A. Not to my recollection, no. There might have been some partner that might have had some misgivings about it.

MR. JANSEN: Your Honor, that's all the questions I have.

THE COURT: Any further questions on redirect?

MR. DOAN: Your Honor, may I ask Mr. Snow just two questions.

REDIRECT EXAMINATION

BY MR. DOAN:

[55] Q. Mr. Snow, you testified that you spent perhaps one hour per week per venture, on Echo, Courier and Burns. Now, did you mean you spent that much time, was that the total effort you expended on these projects?

A. By no means, no. If I answered it in that fashion, I can't recollect how much time I spent twenty-four hours a day five or six years ago. I spent that amount of time actually in discussion, in meetings, on the telephone or otherwise, with Mr. Trott, but I was thinking of the problem for many odd hours as one does in developing a business.

Q. You stated that your area of activity was primarily concerned with the design, trade mark and the marketing effort. In your opinion is this the type of activity that you spend time just thinking about it as opposed to the time you would spend in actual discussion with for example Mr. Trott.

A. As I understand your question there is a great deal of time and effort, if you call thinking about something effort, when you're not actually talking with someone or discussing it with someone.

Q. And it is your testimony you did spend a great deal of time in that activity, that is mental activity?

A. I'm saying considerable time. I don't know —

Q. And that time was devoted to these three projects?

A. Yes, sir.

MR. DOAN: No further questions.

[56] THE COURT: You may stand aside. Call your next witness.

(Witness excused.)

MR. DOAN: We have no further witnesses for Petitioner, Your Honor.

MR. JANSEN: Your Honor, Respondent would like to call Mr. David H. Trott.

David H. Trott

was called as a witness on behalf of the Respondent, and, having been first duly sworn, testified as follows:

THE CLERK: State your name and address for the record.

THE WITNESS: David H. Trott, 2444 Madison Road, Cincinnati, 45208.

DIRECT EXAMINATION

BY MR. JANSEN:

Q. Mr. Trott, were you at one time employed by Procter and Gamble?

A. Yes, I was.

Q. Are you still employed by Procter and Gamble?

A. No.

Q. Are you retired from Procter and Gamble?

A. I resigned.

Q. What year did that resignation take effect?

A. 1963.

[57] Q. Prior to 1963 about how long did you work for Procter and Gamble?

A. Twenty-two and a half years.

Q. And as briefly as possible, during that period in what areas were your efforts expended?

A. The areas I was active in were advertising, marketing on a somewhat broader basis, and general management.

Q. During that period of time were you associated with Mr. Snow?

A. Yes, I was.

Q. And exactly what was that association?

A. He was my first superior when I went to work at Procter and Gamble in 1942. During my years there I would say he was my superior for a longer cumulative time than any other person in Procter and Gamble.

Q. Can you explain very briefly the levels of your development within Procter and Gamble, did you hold title positions?

A. Yes, my first job in Cincinnati after finishing sales training was as a copy supervisor in charge of development of advertising copy. I was then a product manager or a brand manager. I was subsequently an associate brand promotion manager. I was then Vice President and General Manager of Procter and Gamble in Mexico and I returned to the United States and was Advertising Manager for the International [58] Division, a job I held on my resignation.

Q. So in essence your efforts expended for P and G were in the area of marketing as were Mr. Snow's?

A. And management.

Q. What college degrees do you hold?

A. Liberal Arts, B.A.

Q. You hold no degrees in engineering or science?

A. No, sir.

Q. Prior to the year 1965 have you ever had any other business ventures with Mr. Snow?

A. Not on any formal basis, no.

Q. I assume then on an informal basis there was some type of business venture?

A. I guess the answer to that has to be no, there were no ventures, although Mr. Snow was at all times pretty conversant with what I was up to.

Q. Directing your attention only to the Burns Investment Company and the trash burner project, when did the idea, or was the idea yours for the trash burner?

A. Yes.

Q. At what point in time did that idea come, I guess you created the idea?

A. Let me answer this way. The identification of what I thought was the problem and the need occurred in late '63, shortly before I resigned from Procter and Gamble. The idea [59] concerning what to do about that problem, the problem being the disposal of leaves and trash, the first idea what to do about that problem did not occur until 1964. The final, what we hoped would be the final resolution of the problem occurred in 1966.

Q. Approximately how much time between 1964 and 1966 at the time of the coming into existence of the partnership Burns Investment Company, how much time did you devote to the development of that project personally?

A. Between '64 and '66?

Q. Right. On a weekly basis or a monthly basis that you could give the Court an estimate?

A. I would say during that time at least a third of my time was devoted to it.

Q. And during that same period you were still employed with Procter and Gamble.

A. No, I resigned from Procter and Gamble in 1963.

THE COURT: When did you say the idea for this incinerator occurred to you?

THE WITNESS: The concept that there ought to be an incinerator for the purpose of disposing of leaves and trash occurred to me in '63, at which time I was still employed by Procter and Gamble.

THE COURT: All right.

BY MR. JANSEN:

[60] Q. Now, Mr. Trott, between 1964 and July of 1966, would you estimate the amount of expense you incurred in developing this idea?

A. I don't know.

Q. Now, involved in this matter today, Mr. Trott, we have three partnerships, Echo, Courier and Burns Investment Company of which you are a partner of all three. Was this identifying the product concept and then the subsequent development on your own and the partnership coming into existence, was this general procedure followed in each instance?

A. With the exception of Echo.

Q. How did that differ?

A. Echo was a project which in a sense I inherited when I first became involved in Cross Bow. It was a project then in existence which had been carried on to a certain stage of development by the prior owners of Cross Bow. Burns on the other hand, and Courier, were products in which I was solely involved at the inception.

Q. Now, with respect to Burns Development and the trash burner, can you describe for the Court essentially the stage of development of that trash burner in January of 1966 or in the early part of 1966?

A. We had built a number of experimental models prior to that time with varying degrees of success. We had at that time to the best of my recollection a model and pretty clear [61] cut specific ideas about how to bring that model to a state of commercial and practical effectiveness. We also had the opinion of the patent attorney which has been identified here before that we had a pretty good patent position.

Q. Now, Mr. Trott, Petitioner's Exhibit No. 23 which is dated February 22, 1966, and is a letter addressed to you

and signed by Mr. Konold, seems to indicate that there was more than one type of a burner involved.

A. Hmm hmm.

Q. Was there what is called an institutional type trash burner?

A. At that time?

Q. Yes.

A. Yes.

Q. Was that the only burner?

A. No.

Q. In January of 1966?

A. (Shook head.)

Q. The letter refers to two models, Mr. Trott, could you distinguish between the two models.

A. I preface that by saying to the best of my recollection, I think we must have had twenty-six or twenty-seven models. The two referred to I believe are one which was built around a garden tractor and which used as its power source the motor of the tractor. The other one was a wheel-about inciner- [62] ator which had its own independent power source.

Q. With respect to both of those models, were they aimed primarily at the industrial market?

A. No.

Q. I notice in the letter, Mr. Trott, that at paragraph two of page two it is indicated that the two models of the leaf burner are big institutional type devices and an objective is to make a smaller leaf burner which will be salable to the individual home owners. Do you get the impression from reading that letter that at that time there did not exist a smaller model which was saleable to the home owner?

A. I think it would be speculative to say that without actually having tried to sell a particular model.

Q. Mr. Trott, prior to the time that this letter was sent to you, did Mr. Konold observe any demonstrations of your trash burner?

A. I believe so but I can't be sure.

Q. The last sentence of paragraph one of this letter indicates "this opinion is based on my examination of the leaf burner and my discussion with you of the tests which you have made on them" which would seem to indicate he did observe the two institutional models he referred to in this letter.

A. I thought in your questioning you were referring to prior to this.

Q. That was my question, yes.

[63] A. Prior, yes.

Q. Where did these demonstrations take place?

A. At Cross Bow.

Q. Mr. Trott, now bearing in mind the nature of the models as they existed in approximately the early part of December 1966, would you draw a contrast between that model and the patented model?

A. From the standpoint of design, mechanical operation?

Q. Over all, right, from the standpoint of design, exterior design.

A. Well, the basic difference between the two in terms of operation again as I recall those models at that time is this, they had two air inlets, one at the bottom and one at the top of the burning chamber. Both air sources derived from the same blower. The model as it now exists has a single opening at the top of the chamber and none at the bottom of the chamber.

Q. In terms of the type of drum, the burning unit itself, how large was the unit that was used in 1966?

A. Somewhat larger than the present one which utilizes a fifty-five gallon drum.

Q. When you say somewhat larger, would you say seventy gallons, a hundred gallon drum?

A. I would estimate 70 gallon, 65 to 70.

Q. The partnership agreement, the Burns Investment [64] Company partnership agreement, Mr. Trott, is dated July 8, 1966. What efforts did you expend prior to that date with respect to third parties to raise capital to be used in the development of the trash burner?

A. I gave the partners who had joined with me in Courier a synopsis of the project, described it to them, asked if they were interested in the project, and that was all.

Q. So what you're saying is that the only parties who were contacted were partners in another of your ventures?

A. That's right.

Q. Mr. Trott, why was the partnership formed in 1966?

A. To form a legal vehicle for this particular venture.

Q. Was it also formed in order to raise capital in order to continue the development of this project?

A. Yes.

Q. What is your present association with Cross Bow, Inc.?

A. I'm President and sole owner.

Q. And when did that association begin?

A. It began, I believe, in 1964 when I bought a twenty-five percent interest. I gradually increased that until I took over sole ownership I believe in December of 1965.

Q. So that in the year 1965 at the time both Echo and Courier entered into agreements with Cross Bow you owned approximately twenty-five percent interest in Cross Bow?

A. Twenty-five to fifty.

[65] Q. And then subsequently in the year 1966 an agreement was reached with Burns and you still owned twenty-five —

A. A hundred percent.

Q. You owned a hundred percent in 1966?

A. Yes.

Q. From whom did you buy the stock of Cross Bow?

A. From Robert Boggild and William Dale.

Q. Is the Robert Boggild the same individual who was a partner in both Echo and Courier?

A. Right.

Q. Now, Mr. Trott, can you give us an example of, in the year 1966, of the type of services or products that were sold by Cross Bow, Inc.

A. Yes, in 1966 our commercial activities apart from product development which was our primary activity consisted of making and selling a novelty item under the trade name Drinklight, and doing job shop work for customers in the fabricating and machining business.

Q. I see. Was that Cross Bow's sole product in 1966, the Drinklight?

A. It was the sole product manufactured in volume.

Q. Were other products manufactured?

A. We made other products for other people, but none of them in mass production.

Q. I see. Does Cross Bow itself have a manufacturing [66] plant?

A. Yes.

Q. Which is located where?

A. 5240 Worcester Road.

Q. Is that the same location where Cross Bow was located in 1966?

A. No, it is not.

Q. What was the address in '66?

A. It was Blue Ash Road, I don't recall the exact street address.

Q. How does 8120 sound?

A. There were two places on Blue Ash Road, that's why I couldn't remember.

Q. Does 8120 sound like the correct address?

A. Yes.

Q. Do you presently draw a salary from Cross Bow?

A. Yes.

Q. Did you draw a salary in 1966?

A. No.

Q. During the year 1966 did Cross Bow enter into a contractual agreement with Burns Investment Company?

A. Not any written agreement that we were able to determine. There was an oral understanding, an understanding within the partnership that the work done on behalf of Burns Investment would be done more or less on the same basis we had [67] been doing work for Courier and Echo in which case there was a written contractual agreement.

Q. Now, Mr. Trott, have you searched your records with respect to Burns Investment to determine if you could locate a written contract between Burns and Cross Bow, Inc.?

A. Yes.

Q. And you have also checked Cross Bow's records and you could locate no written contract?

A. The answer is no.

MR. JANSEN: I'm sorry, could you repeat that question again?

(Question read.)

THE WITNESS: Yes.

BY MR. JANSEN: Would you mark this.

THE CLERK: Respondent's Exhibit W marked for identification.

(The document referred to was marked for identification as Respondent's Exhibit W.)

BY MR. JANSEN:

Q. Mr. Trott, I hand you what has been marked for identification as Respondent's Exhibit W. Can you identify that document?

A. This is a letter from D. H. Trott to Robert Boggild dated April 28, 1965, the subject of which —

Q. That's enough. The D. H. Trott whose signature [68] appears on that letter is one and the same D. H. Trott that is here today, is that right? That's you.

A. Right.

Q. Now, Mr. Trott, this letter, does this represent the understanding that existed between Cross Bow and Courier Enterprises with respect to the work that Cross Bow was to do for Courier?

A. Correct.

Q. Was there a similar letter which was also written by yourself with respect to the Echo Development Company concerning the services that Cross Bow was to render for Echo Development Company?

A. Right?

Q. Was that letter similar in nature to this one?

A. Yes.

Q. Now concerning the Burns Investment Company, as I understand your testimony you have indicated that you can not find a writing evidencing the understanding that existed between Burns and Cross Bow, is that correct?

A. Right.

Q. Are you sure, Mr. Trott, that there is no written contract evidencing any relationship, legal relationship between Cross Bow and Burns?

A. Not a hundred percent sure, no.

Q. You have diligently searched the files of Cross Bow [69] and Burns and there is no letter to be found.

MR. DOAN: Your Honor, I believe counsel is getting repetitious and he is also leading his witness.

THE COURT: If that's an objection, it's immaterial at this point. I'll let the testimony stand. Avoid leading and avoid repeating.

MR. JANSEN: Yes, Your Honor.

Q. Mr. Trott, do you have personal knowledge of the understanding that existed between Burns Investment Company and Cross Bow, Inc.?

A. Yes, I do.

Q. What is that understanding?

A. I believe it is expressed in the invoices which are a part of the record here, which consisted of a series of hourly rates similar to the Echo and Courier arrangement for different types of work.

Q. Mr. Trott, I notice at Exhibit 2-B which is a copy of the partnership agreement of Burns Investment Company, that it indicates that the purpose and business of the partnership shall be the development of a special purpose incinerator for the consumer and industrial markets. Now, this development procedure, is that what Cross Bow was doing for Burns Investment Company?

A. Yes.

Q. Did Burns Investment Company do any of that develop- [70] ment work itself with respect to the product concept?

A. Yes. I as a partner in Burns Investment Company did most of it.

Q. Where did that development take place, Mr. Trott?

A. It took place at Cross Bow and in the field.

Q. Now, with respect to Burns Investment Company, where did that development take place?

A. At Cross Bow, Inc. out on Blue Ash Road and later, well, 66 Blue Ash Road, and it took place at my residence and in the neighborhood.

Q. Now, Mr. Trott, with respect to the year 1966, approximately what portion of the services rendered by Cross Bow, Inc. were apportioned to Burns Investment Company? Can you give us some idea?

A. I couldn't. I'd be flying blind.

Q. Okay. Other than Burns and Echo and Courier during the years 1965 and 1966, did Cross Bow have contracts with any other parties for doing similar type work?

A. Yes.

Q. Approximately how many contracts, do you have any idea?

A. During what period of time?

Q. 1965 and 1966.

A. It might have been as many as twenty-five different customers.

[71] Q. To your knowledge, Mr. Trott, at the time that Cross Bow entered into these contracts with the three partnerships, did Cross Bow make any type of a guarantee that their work would lead to a patent on any product?

A. No hard and fast guarantee, iron clad guarantee, no, but the probability was held out that we would get a patent in each case.

Q. So then with respect to each partnership there was a certain amount of speculation involved?

A. Correct.

Q. Now, Mr. Trott, with respect to Joint Exhibit 2-B, I notice that the principal office and place of business of Burns Investment Company was 8120 Blue Ash Road, that is Cross Bow's offices, is it not?

A. It was at that time.

Q. Now, could you describe for me basically the building facility itself at 8120 Blue Ash Road?

A. We had approximately five thousand square feet of space of which maybe on the main floor, of which maybe a thousand feet was devoted to office, design and drafting, and the rest to shop and manufacturing facilities. We had a basement which was probably around four thousand square feet.

Q. Now, what portion of that total nine thousand square feet was used by Burns Investment Company?

A. I can't answer that, I don't know. It varied, [72] depending on what we were doing at any given time.

Q. Why did it vary?

A. The project would be considerably more active, or likely to be during the fall than it was during the dead summer.

Q. When you refer to the project you're referring to the —

A. Incinerator.

Q. You're referring to the work being performed under the terms of the oral agreement, is that correct, and the individuals that were performing that work were Cross Bow employees, is that right?

A. Except for myself.

Q. Then I don't believe we can say that any space occupied by those employees occupied space of the Burns Development Company. I'm referring to the Burns Development Company offices and employees, what percentage of that total five thousand, nine thousand square feet was used by Burns Development Company employees?

A. If we consider me as an employee of Burns, perhaps five percent.

Q. Five percent comprising your office? And were you paid by the Burns Investment Company?

A. Not directly, no.

Q. Was your service which you performed billed to the [73] Burns Investment Company by Cross Bow, Inc?

A. Right.

Q. Therefore your compensation for services performed on the contract came from Cross Bow rather than from Burns, and therefore in essence we probably should eliminate your five percent space.

A. (No audible response.)

Q. Now, Mr. Trott, on the exterior of this building was there any sign identifying it as the offices of Burns Investment Company?

A. No.

Q. Did Burns Investment have a telephone in that building?

A. No.

Q. Were there to your knowledge any employees in that building who were compensated by Burns Investment Company directly?

A. There was a consulting electronics engineer who had space in that building and did some work for Burns and was compensated directly by Burns.

Q. Is the Burns Investment corporation also presently located at the Cross Bow, Inc. offices?

A. Yes.

Q. And those offices are now located on Worcester?

A. Right.

[74] Q. During the year 1966, Mr. Trott, are you aware of any marketing efforts that were made by yourself, Mr. Snow, or any member of Burns Investment Company to market a product as such in the year 1966?

A. No.

Q. During the year 1966 were you aware of the Burns Investment Company having a manufacturing plant of its own?

A. Not per se, no.

Q. Were you aware or are you aware in the year 1966 of Burns Investment Company having any type of an office or manufacturing plant facility?

A. If you mean its own separate facilities —

Q. Right.

A. No.

Q. Now, Mr. Trott, we have stipulated that Joint Exhibits 5-E through 9-I, the invoices which were sent by Cross Bow to Burns Investment Company. I hand you what has been marked for identification purposes as Joint Exhibit 5-E which is invoice number 265 of Cross Bow, Inc. and I ask you, Mr. Trott, would you very briefly describe essentially the work which was performed by Cross Bow, Inc. on this or for the benefit of Burns Investment Company.

A. Well, as this invoice shows, it was comprised of shop time, designer time, and engineering time. The shop time was the skilled labor devoted to building models, working models [75] and prototypes of the incinerator, and the design and engineering time was work related to the design and engineering of those models.

Q. Now, with respect to the second item here, designers 318 hours, who performed that design work?

A. As I recall there were, I believe we had two designers on the payroll at that time.

Q. Of Cross Bow, Inc.

A. Right.

Q. With respect to the next item, who performed the engineering work?

A. That was largely Robert Boggild.

Q. Was that engineering work performed at Cross Bow, Inc?

A. Right.

Q. I notice on this invoice, Mr. Trott, it is marked paid-down here. Do you know who made that notation?

A. Our bookkeeper, I imagine.

Q. Did you personally cause this invoice to be sent to Cross Bow, Inc., to Burns Investment?

A. To Burns, yes.

Q. Mr. Trott, the next exhibit which is Joint Exhibit 6-F indicates that there was shop work performed and engineering work performed also. Was that work also performed at Cross Bow, Inc?

[76] A. Yes.

Q. And did you personally cause this invoice to be sent to Burns Investment Company?

A. Probably, yes.

Q. I notice on this invoice, Mr. Trott, that there are some notations made at the bottom right hand corner with respect to the payments. Who do you think made those notations?

A. Our bookkeeper I would imagine.

Q. I notice the first date of payment is August 5, 1966.

A. Correct.

Q. This invoice is dated July 31, 1966 and the terms are net thirty days.

A. Right.

Q. Now precisely how was this payment transacted?

A. By check.

Q. Could we trace the invoice to the Burns Investment Company which caused payment to be made? In other words the invoice is made in Cross Bow, Inc.'s offices.

A. Right.

Q. Is it given to another individual who in turn causes a check to be issued to Cross Bow, Inc?

A. I issued the check.

Q. You issued the check.

[77] A. Or checks.

Q. The date of payment on this Cross Bow invoice, Mr. Trott, is August 5, 1966 and August 12, 1966. Was there generally that type of time lag between payments?

A. I don't recall. I don't recall the circumstances which led to that type of payment.

Q. Joint Exhibit 7-G, Mr. Trott, is the same type of invoice from Cross Bow, Inc. and it has design work, engineers' work, consultant work and miscellaneous materials. Was that work also performed at Cross Bow, Inc?

A. Yes, with the possible exception of that consultant work. I don't recall exactly what that was.

Q. Joint Exhibit 8-H, Mr. Trott, shows an invoice billing Burns for \$12,500.00 for project management services. Who performed those services?

A. I did.

Q. That's a lot of money for management services. Could you elaborate upon your specific responsibilities in billing Burns Investment Company \$12,500.00?

A. That was, that reflected the amount of work I personally put in actively managing the project.

Q. Extending from what date?

A. I don't recall.

Q. Was a portion of that billing attributable for management services performed prior to the time of the partnership?

[78] A. I would imagine so, I can't recall.

Q. Mr. Trott, Joint Exhibit 9-I, the type written statement of the description of the items is kind of hazy in there. Could you tell us what that description says?

A. I believe it says "balance on services rendered."

Q. And would you happen to know when those services were rendered?

A. No.

Q. Now, Mr. Trott, the invoices that we have just seen were sent by Cross Bow to Burns for services rendered during the year 1966. The total amount of those invoices was \$36,780.44. Now subsequent to the year 1966 did Cross Bow, Inc. also perform services for Burns Investment Company?

A. Yes, it did.

Q. Were those services rendered to the approximate same extent as they were in 1966?

A. At least.

Q. For how long did this continue?

A. Until the formation of the corporation.

Q. Which was in what year?

A. Spring of '69, I believe.

Q. So from January 1 of 1967 to the spring of 1969 the development of this project continued at Cross Bow?

A. (Nodded.)

Q. Was Cross Bow, Inc. compensated for those services [79] to the same extent they were in 1966?

A. No, they were not.

Q. Have they been compensated to this day for those services?

A. No.

Q. Now, I believe that you testified before, Mr. Trott, that one of the purposes of the formation of the partnership in 1966 was to obtain capital for the continued development of this product concept, is that correct?

A. Yes.

Q. Was Echo and Courier partnerships, were they also created for the same purpose?

A. Essentially, yes.

Q. Now, Mr. Trott, I notice in looking at the invoices from Cross Bow to Burns and looking at the partnership agreement relating to Burns Investment Company, the word development and research permeates those docu-

ments. At what stage was the development of the trash burner in 1966 in comparison with the patented product?

A. I don't quite know how to answer there. We had a product on which we could have secured a patent at that time. The product we have now is in some ways essentially different. The product on which we got a patent, applied for a patent in '69 was no further developed from the standpoint of being a finished manufactured product than the project we had in 1966.

[80] THE COURT: Mr. Jansen, could you tell me what you're trying to develop with this line of testimony? I've let you run on and on, yet for the life of me I can't see what you're driving at.

MR. JANSEN: Your Honor, we have covered a lot in the last half hour and I think I'm about ready to summarize.

THE COURT: What is the issue here that you're establishing?

MR. JANSEN: Your Honor, we are concerned with showing that there in fact was no operating, existing trade or business known as Burns Development Company in the year 1966. There was no product to sell, the product itself had not been developed to the point where it could become acquainted with the commercial market, the office facilities were located at Cross Bow, Inc. which was the corporation performing the research work on that project. Your Honor, we are trying to show that in essence there was nothing more than a paper existence for all three of those partnerships.

THE COURT: Was it paper money they paid?

MR. JANSEN: Mr. Trott just indicated that in one instance he didn't receive payment, Your Honor.

THE COURT: There were checks mentioned.

MR. JANSEN: Yes, Your Honor.

THE COURT: All right. I have difficulty in seeing the issue, but I understand a little better what you're [81] driving at, but you're taking up an awful lot of time.

MR. JANSEN: Yes, Your Honor, I understand.

THE COURT: Cut it short.

MR. JANSEN: We're just about finished.

THE COURT: All right.

BY MR. JANSEN:

Q. Mr. Trott, in 1966 where were the Echo offices located?

A. They were domiciled with Cross Bow.

Q. Where were Courier offices located?

A. The same.

Q. So the three partnerships in Cross Bow's offices were all located in a facility of which the space was consumed approximately a hundred percent by Cross Bow?

A. Hmm hmm.

Q. Now did Echo have a telephone?

A. No.

Q. Did Courier have a telephone?

A. No.

Q. Were there any markings on the building which would identify it as Echo or Courier offices?

A. No. Echo did have a telephone because it was a telephone answering device which needed a telephone.

Q. Now, Mr. Trott, one final question. Subsequent to the year 1966, at any time did the Burns Investment Company [82] either the partnership known as the Burns Investment Company consider abandoning that trash burner project?

A. No.

Q. Let me ask the question again. Subsequent to the year 1966 did either yourself or any other members of

the partnership known as the Burns Investment Company consider abandoning that project.

MR. WALKER: Object to that question. This man can't testify to what someone else considered.

THE COURT: I think you're asking him to testify what was in the mind of other people. Maybe you can bring it out with a different type of question. I'll sustain the objection.

BY MR. JANSEN:

Q. Mr. Trott, subsequent to the year 1966 did you personally ever entertain any thoughts of abandoning that trash burner project?

A. Not the project, no.

Q. What aspect of the project did you consider abandoning?

A. An approach on which we had worked at some length appeared limited and it became quite clear that we probably would have to take a different approach to it.

Q. When you refer to approach what exactly do you mean? The outside exterior portion of the patented burner?

[83] A. It related to the mechanical functioning of the product.

Q. Assuming you were to have abandoned that approach, would that have necessitated a complete redoing of all the efforts that you had expended in the past year in developing that particular aspect of the project?

A. No. As a matter of fact we changed the approach quite fundamentally partially as I explained earlier in terms of the reduction of air inlets from two to one. We made some other changes, so in effect we radically changed the mechanical approach to the product.

Q. At what point in time did that radical change take place?

A. I believe in 1968.

Q. And the subsequent patent application was filed in 1969?

A. I believe so.

MR. JANSEN: That's all we have, Your Honor.

THE COURT: Cross examine.

CROSS EXAMINATION

BY MR. DOAN:

Q. Mr. Trott, have you had any training, experience or education prior to joining Cross Bow in the area of engineering and inventing product development?

A. Only incidental with Procter and Gamble. The answer [84] is no.

Q. Mr. Trott, you testified that Burns, Echo and Courier shared the facilities of Cross Bow, Inc. Did Burns, Echo and Courier have any need for its own plant, its own offices?

A. No.

Q. In your opinion as a business man would it have been wise to incur expenses for rent and overhead that you did not need?

A. No.

Q. Mr. Trott, was the partnership income tax return for Burns Investment Company examined for the taxable year 1966?

A. I don't know. I think so. My recollection is yes.

Q. Did you have a conversation with an Internal Revenue Agent who examined that return?

A. I don't recall whether I did or not.

Q. You testified that numerous changes were made in the trashaway that existed when the partnership was formed in 1966, is that right?

A. Yes.

Q. Now these changes that were made, were they a result of your efforts alone?

A. No, they were not. They were the results of my efforts, the efforts of the designers and engineers who worked [85] for Cross Bow, and also the members of the partnership.

Q. Now did the members of the partnership Burns Investment Company meet with you regularly during 1966?

A. Yes.

Q. And did you discuss these design changes, mechanical functioning changes at those meetings?

A. Yes, we did.

Q. Did you discuss marketing problems?

A. Yes, we did.

Q. Did you discuss such things as patent position?

A. Yes.

Q. Trade mark?

A. Yes.

Q. Did you discuss whether or not Burns Investment Company should engage in the manufacturing versus having another manufacturer carry out this activity?

A. Yes.

Q. Was Mr. Snow present at these meetings during 1966?

A. He was present at most of them.

Q. Did Mr. Snow participate in the decision making process?

A. Yes, very much so.

Q. Did Mr. Snow participate in the over all management of this project?

A. To a large degree, yes.

[86] Q. Did he participate in the over all management of Courier Enterprises?

A. Yes.

Q. Did he participate in the over all management of Echo Development?

A. Yes, he did.

Q. Were these partnerships entered into for the purpose of making a profit?

A. Yes, certainly.

Q. Mr. Trott, could all three of these ventures, the Trashaway, the telephone answering device and the tape recorder have been developed within one single partnership?

A. They could have been if necessary.

Q. Why did you not use one single partnership?

A. Well, there were two reasons. One reason was that we didn't have identical participation in the partnership from one venture to the next. Another reason is it's just good business to keep projects like that separated and isolated so you can evaluate each on its own merits and judge the progress.

Q. Mr. Trott, you testified that Cross Bow did similar work for other clientele or other customers during the same period of time.

A. Right.

Q. Was the work Cross Bow carried on for Burns, Courier and Echo substantially different from what you did for other [87] customers?

A. Talking in broad terms of product development, no.

Q. Was your activity as a partner in Burns Investment Company substantially different from the activity of the other partners?

A. It was different in that I got much more deeply involved with the actual technical details of the design of the product.

Q. Why was that?

A. Because I was the closest one to the projects, the only one in a position to watch every detail of development.

Q. In other words you were the general partner or the managing partner?

A. Right.

Q. Mr. Trott, have you yourself as an individual been classified as being in the trade or business of inventing?

MR. JANSEN: Objection, Your Honor.

THE COURT: Has he been classified as being in the trade or business of being an inventory?

MR. DOAN: Yes, your Honor.

THE COURT: I don't believe I quite —

MR. DOAN: The point is that Mr. Trott was a member of the same partnership as Mr. Snow and Mr. Trott has been identified as being in the trade or business of inventing, yet he has testified that his activities in these ventures was [88] substantially similar to Mr. Snow's activities.

THE COURT: By whom has he been identified?

MR. DOAN: That was my next question, Your Honor. Identified by the Internal Revenue Service.

THE COURT: Do you want to be heard on your objection?

MR. JANSEN: Yes, Your Honor, I do. Your Honor, any characterization that may have been made by any member of the Internal Revenue Service with respect to Mr. Trott is completely immaterial and irrelevant to the issues in this case.

MR. DOAN: Mr. Trott was a member of the same partnership, the same business venture, engaged in the same activities.

THE COURT: Suppose he had been recognized as an inventor, would that same thing apply to Mr. Snow?

MR. DOAN: No, Your Honor, but it would apply to the partnership. Your Honor, we have cases that stand

for the principle of law, that a partner engaged in the business of the partnership, by virtue of being a partner in a partnership, the individual is engaged in that trade or business. The Internal Revenue Service has said that Mr. Trott is in the business of being an inventor.

THE COURT: I'll let you make your record on it, Mr. Doan, but I'm not sure at this point what weight or materiality will be given to it.

[89] BY MR. DOAN:

Q. Will you answer the question?

A. Can you repeat it please.

Q. Mr. Trott, have you been characterized or identified by the Internal Revenue Service as being engaged in the trade or business of being an inventor?

A. Yes.

Q. For what year?

A. I don't recall.

Q. Was it 1966?

A. Yes, it could be.

Q. Was it the year in which the partnership return of Burns Investment Company was examined?

A. I believe so.

MR. DOAN: I have no further question, Your Honor.

MR. JANSEN: Your Honor, I have a couple questions on redirect.

REDIRECT EXAMINATION

BY MR. JANSEN:

Q. Mr. Trott, you just indicated that you met regularly in 1966 with some of the other members of this partnership. Generally where were those meetings held?

A. They were held at a number of places. They were held at Cross Bow, they were held at my house, they were

held in the residence of the partners. I can recall at least two [90] dinner meetings in restaurants.

Q. Did any of those meetings ever revolve around social events between the partners?

A. Some.

Q. Were any of those meetings ever held at Mr. Snow's home?

A. Yes.

Q. Were any of them ever held at your home?

A. Yes.

Q. Were any of them ever held at other partners' homes?

A. Yes.

Q. Is there a pretty close social relationship existing between the parties to the partnership?

A. Not as a group, no.

Q. But as individuals, there is?

A. Yes.

Q. Are you close to Mr. Snow?

A. Yes.

Q. Now, Mr. Trott, you also mentioned that you entered into this partnership relationship with respect to each one of these entities for the purpose of making a profit, is that correct?

A. Yes.

Q. In reading the partnership agreements, the purpose of the partnership is stated in all three of these agreements [91] to be the development of a product and obviously from looking at the invoices research is being done by Cross Bow, Inc.

MR. WALKER: Your Honor, I'll have to object on the grounds that counsel is seeking to attack the testimony of his own witness.

THE COURT: I'll sustain the objection. You're arguing also.

BY MR. JANSEN:

Q. Let me ask this question, Mr. Trott, at what point in time did you anticipate making a profit?

A. When the partnership was formed we anticipated making a profit very shortly or at least be able to proceed definitely to make a profit.

Q. At some point in the future.

A. In the near future.

Q. At the time the partnership agreements were —

THE COURT: Didn't you go over all that on your direct? You're on redirect now.

MR. JANSEN: Yes, Your Honor.

Your Honor, that's all the questions I have.

THE COURT: The purpose if I understand in forming these three partnerships was because they related to different types of machinery or products?

THE WITNESS: Right.

THE COURT: One being a lear burner or trash burner, [92] another being a telephone answering service, and another a tape recorder.

THE WITNESS: Correct.

THE COURT: Entirely different products. And one purpose in having three, if I get the effect of your testimony, was to hold each of those businesses separate and apart. Am I correct that the development of the machines or whatever you made, the product itself, was carried on, the engineering and the designing and so forth was carried on largely by the Cross Bow Company?

THE WITNESS: Correct.

THE COURT: You had the ideas and you got the others to make, whatever you call them, the sample products originally and see if it would work?

THE WITNESS: Right.

THE COURT: Am I correct in that?

THE WITNESS: Essentially, yes.

THE COURT: Most of the engineering and design work then under your supervision was done by Cross Bow?

THE WITNESS: That is right.

THE COURT: And you were managing Cross Bow and you were also managing partner of these three partnerships. Most of the others with one or two exceptions were limited partners?

THE WITNESS: Yes.

THE COURT: You had the main responsibility for the [93] management and conduct of that business.

THE WITNESS: That's correct.

THE COURT: What was the purpose of bringing in the limited partners at all?

THE WITNESS: To provide funds and also assistance in managing the ventures.

THE COURT: By assistance you mean advice and so forth as you would get from anybody in the way you operate and conduct a business? Not in the engineering or the actual design —

THE WITNESS: Not in the technical sense, but certainly from the standpoint of the way the design related to the objective of the project or what would come out of the project.

THE COURT: They might offer suggestions but it wouldn't be in the sense of expert technical advice?

THE WITNESS: No.

THE COURT: All right. What was the extent of the cash contributions of these limited partners, generally.

THE WITNESS: In one particular, Burns for example, I believe that was forty thousand dollars. It's in one of the exhibits.

THE COURT: They contributed forty thousand dollars and you contributed an equal amount?

THE WITNESS: No, I contributed right and title to [94] the project when the partnership was formed.

THE COURT: You contributed more in the way of know how and expertise or the idea.

THE WITNESS: If I may, I'll take Burns as an example. Prior to the formation of the partnership I funded the development work. Then when the partnership was formed, we utilized the funds contributed by the limited partners. The agreement between Burns Partnership and Cross Bow or me as the sole owner, was that Cross Bow would carry the burden for that money to the point of completion of the project, which we did, and we exhausted the forty thousand dollars contributed by the partners, and thereafter it was funded by me.

THE COURT: And that's substantially the same thing that happened with respect to the other two partners?

THE WITNESS: Yes, with respect to the work done after the funds were exhausted.

THE COURT: I see in the Burns Investment Company the contribution of the limited partners was twenty, ten and ten, a total of forty thousand dollars. I assume the partnership agreements show their cash contribution.

THE WITNESS: Right.

THE COURT: Does either side want to ask anything further?

MR. DOAN: Yes, Your Honor. At one point you asked Mr. Trott if any of these partners were invited into the partner- [95] ship because of their expertise. Mr. Trott indicated that was not the case.

THE COURT: Expertise with respect to designing and engineering.

MR. DOAN: Yes, Your Honor, and my point is that I believe that's too broad.

THE COURT: Whatever you believe about it, if you

want to ask him some questions you may do so. I have certain beliefs myself.

RECROSS EXAMINATION

BY MR. DOAN:

Q. Mr. Trott, did you rely on Mr. Snow for his expertise in the area of designing products to any degree?

A. No, I did not rely on any technical or engineering expertise. I relied on his expertise from the standpoint of being able to evaluate design features from the marketing standpoint and other standpoints.

THE COURT: That's somewhat similar to his expertise in the sale and so forth of products produced by Procter and Gamble?

THE WITNESS: Yes.

THE COURT: He's a good business man, good salesman; he knows, I assume, or has a good idea of what may or may not appeal to the buying public.

THE WITNESS: That's right.

[96] THE COURT: Anything further from either side.

MR. DOAN: Your Honor, this is rather late, I would like to offer one further piece of evidence.

THE COURT: I haven't cut you off yet.

THE CLERK: Petitioner's Exhibit No. 29 marked for identification.

(The document referred to was marked for identification as Petitioner's Exhibit No. 29.)

BY MR. DOAN:

Q. Mr. Trott, I hand you this brochure and ask you to describe it to the Court.

A. This is a brochure used for advertising and pro-

motion purposes in the sale of our incinerator under the brand name Trashaway.

MR. DOAN: Your Honor, I offer the brochure describing the Trashaway as it exists today, in evidence.

THE COURT: All right, the document referred to will be received in evidence as Petitioner's Exhibit 29.

(The document previously marked for identification as Petitioner's Exhibit No. 29 was received in evidence.)

MR. JANSEN: Your Honor, if I may, we have previously identified through Mr. Trott Respondent's Exhibit W which at this time I would like to offer into evidence.

THE COURT: All right, that has not previously been offered. That is the letter from Mr. Trott.

[97] MR. WALKER: No objection.

THE COURT: The document referred to will be received in evidence as Respondent's Exhibit W.

(The document previously marked for identification as Respondent's Exhibit W was received in evidence.)

THE COURT: Anything further? Gentlemen, don't take too much comfort one way or the other with respect to the questions the Court has asked. Sometimes I try to anticipate if I can problems or short cuts that I may have to finding an ultimate fact, and I don't want to get lost in all this maze.

Is that all now? Anything further in this case? Both sides rest. All right, the case will be submitted. How much time do you want for briefs, gentlemen? Will 45 and 30 be suitable?

MR. DOAN: Yes, Your Honor, that's suitable.

MR. JANSEN: Yes, Your Honor.

THE COURT: All right, they will be simultaneous briefs. Opening briefs in 45 days, reply briefs in 30 days thereafter. The Clerk will read those dates.

THE CLERK: January 3 for opening briefs, 1972, and February 2nd, 1972 for reply briefs.

THE COURT: That concludes this case.

(Whereupon, at 3:40 p.m. the trial in the above-entitled matter was concluded.)

Docket No. 7125-70

JT Exh. 2-B

AGREEMENT

Agreement made this 8th day of July, 1966, at Cincinnati, Ohio, by and between DAVID H. TROTT, as General Partner, and EUGENE W. GILSON, THOMAS J. KLINEDINST, and E. A. SNOW, as Limited Partners,

WITNESSETH THAT:

WHEREAS, the General and Limited Partners referred to above desire to form a limited partnership pursuant to the Uniform Partnership Law of Ohio, Chapter 1781 of the Ohio Revised Code.

NOW, THEREFORE, it is agreed by and among the parties hereto that upon the execution and delivery of a Certificate of Limited Partnership, a Limited Partnership shall exist composed of the General and Limited Partners referred to above, formed pursuant to Chapter 1781 of the Ohio Revised Code, upon the following terms and conditions:

1. The partnership shall be conducted under the firm name and style of "Burns Investment Company."
2. The principal office and place of business shall be at 8120 Blue Ash Road, Cincinnati, Ohio 45236.
3. The purpose and business of the partnership shall be the development of a special purpose incinerator for the consumer and industrial markets.
4. The name and address of the General Partner and each Limited Partner and the amount of cash contributed

by each Limited Partner, together with the interest in the profits of the partnership of the General Partner and the Limited Partners, shall be as follows:

GENERAL PARTNER

Name and Address	Percentage
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio 45208	50%

LIMITED PARTNERS

Name and Address	Limited Percentage	Amount of Contribution
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio 45208	34%	All right, title and interest to a product concept, individually owned by David H. Trott, more particularly described as an incinerator designed for rapid consumption and burning of tree leaves and similar combustible materials.
Eugene W. Gilson c/o The Procter & Gamble Company P. O. Box 599 Cincinnati, Ohio 45201	8%	\$20,000.00
Thomas J. Klinedinst 2531 Observatory Avenue Cincinnati, Ohio 45208	4%	\$10,000.00
E. A. Snow Highland Towers Cincinnati, Ohio 45202	4%	\$10,000.00

The above detailed contributions of the Limited Partners shall be paid to the partnership by July 8, 1966.

5. The partnership shall commence upon the execution and delivery of a Certificate of Limited Partnership in accordance with the provisions of Section 1781.02 of the

Ohio Revised Code and said partnership shall continue thereafter until the "business and assets" are sold, until the earlier death or incapacity of the General Partner or until dissolved by the partners; provided, however, that the General Partner shall not cause a dissolution prior to the accomplishment of the partnership's purpose as set out in Item 3 hereof, unless such purpose has been abandoned as the business of the partnership.

6. A Limited Partner may freely transfer or assign his interest to any assignee and such assignee may, at the discretion of the Limited Partner, be made a "Substituted Limited Partner" as defined in Section 1871.19 of the Ohio Revised Code. Said transfer or assignment, however, shall not be effective unless the assigning Limited Partner shall have given notice in writing of the transfer or assignment to the General Partner thirty (30) days prior thereto. The General Partner, upon receiving such notification, shall promptly inform all other Limited Partners of the transfer or assignment.

7. The General Partner agrees that upon his death the right and obligation to make a certain disposition (as hereinafter described) of his general and limited partnership interest shall be vested in a committee of Limited Partners. Said committee shall consist of three (3) Limited Partners, as follows: Eugene W. Gilson, Thomas J. Klinedinst, and E. A. Snow. Upon the death or incapacity of one of these Limited Partners, the General Partner may appoint the Substituted Limited Partner or any other Limited Partner to the vacancy so created; in the event that the above-described death or incapacity of a Limited Partner on this committee reduces the total number of Limited Partners on the committee to two (2), then such remaining Limited Partners shall be the committee described in this item with all rights, privileges, and obligations granted and imposed

hereunder. In all other circumstances the General Partner shall not remove or replace a Limited Partner from said committee, nor shall the General Partner increase the number of Limited Partners on the committee, unless the removal, replacement or enlargement is agreed to by a majority of the Limited Partners on said committee. The intention of the General and Limited Partners under this item is to provide for the continuation of the business of the partnership in another entity subsequent to the death or disability of the General Partner. Said committee shall, therefore, have the right and obligation to form a successor Limited Partnership within the six-month period following the death or incapacity of the General Partner. In the creation of such successor Limited Partnership said committee may choose and include additional parties as either general or limited partners, and may establish a general or limited interest, or both, in such successor limited partnership in exchange for the general and limited interests of the General Partner. In any event, however, the general and limited interests of the General Partner shall be exchanged for a total interest (whether general or limited, or both) which is proportionate to the interests received by the surviving partners; such proportions shall be based on the relative interests held by the General and other surviving Limited Partners at the date of the General Partner's death or incapacity.

If in the judgment of said committee the formation of a successor partnership would not be feasible or not in the best interest of all the partners and provided the General Partner's legal representatives or guardian shall concur in such judgment, then said committee shall be relieved from its obligation to form a successor partnership and it may in agreement with such legal representatives or guardian make such other disposition of the General Partner's interests as it deems advisable under the circumstances.

In the event that a successor partnership is formed or another disposition is made pursuant to this item 7, then the inventory and appraisal of the General Partner's interests required by Section 1779.01 O.R.C. (or a successor section) shall not be required.

8. The death of a Limited Partner shall not terminate the partnership business. On the death of a Limited Partner, his executor or administrator shall have all the rights of a Limited Partner for the purpose of settling his estate, and such power as the deceased had to constitute his assignee as Substituted Limited Partner. The estate of a deceased Limited Partner shall be liable for all of his liabilities as a Limited Partner.

9. The liability of each Limited Partner for partnership debts shall in no event exceed the amount of contribution stated in this agreement and the certificate as having been made by each of them.

10. The General Partner shall have sole rights of management and conduct of the partnership business, and shall exert his best efforts to the conduct of the business. Unless authorized by the General Partner, no Limited Partner may transact the partnership business or act as agent or otherwise for the firm.

11. All funds of the partnership shall be deposited in its name in such checking account or accounts as shall be designated by the General Partner. All withdrawals therefrom shall be made upon checks signed by the General Partner.

12. Books of account for the partnership shall be kept on the accrual basis of accounting and the General and Limited Partners or their accredited representatives shall have access thereto at all reasonable times. The books of

account shall be audited each year by a certified or registered public accountant chosen by the General Partner.

13. The General and Limited Partners hereto shall promptly make and severally sign and acknowledge a Certificate of Limited Partnership and cause the same to be recorded in accordance with the provisions of Section 1781.02.

14. Any amendment, alteration, addition, modification or qualification may be made in the terms of this agreement when made in writing and signed by all the partners.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

/s/ DAVID H. TROTT
General Partner

/s/ EUGENE W. GILSON
Limited Partner

/s/ THOMAS J. KLINEDINST
Limited Partner

/s/ E. A. SNOW
Limited Partner

Docket No. 7725-70

Exh. 3-C

**BURNS INVESTMENT COMPANY
AMENDMENT TO AGREEMENT
DATED JULY 8, 1966**

Amendment to agreement made this 3rd day of April, 1967, at Cincinnati, Ohio, by and between DAVID H. TROTT, as General Partner, and EUGENE W. GILSON, THOMAS J. KLINEDINST, and E. A. SNOW, as Limited Partners,

WITNESSETH THAT:

WHEREAS, the General and Limited Partners referred to above are presently members of a limited partnership formed on July 8, 1966, pursuant to the Uniform Partnership Law of Ohio, Chapter 1781 of the Ohio Revised Code;

WHEREAS, such General and Limited Partners desire to amend and modify Item 4 of said agreement by conforming such item to the economic considerations that underly such agreement.

NOW, THEREFORE, as agreed by and among the parties hereto that said partnership agreement dated July 8, 1966, shall be amended by the deletion of the entire Item 4 of the present agreement and by the insertion of the following Item 4 in its place:

4. The name and address of the General Partner and each Limited Partner and the amount of cash contributed by each Limited Partner, together with the interest in the profits of the partnership of the General Partner and the Limited Partners, shall be as follows:

GENERAL PARTNER

Name and Address	Percentage
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio 45208	50%

LIMITED PARTNERS

Name and Address	Limited Percentage	Amount of Contribution
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio 45208	34%	All right, title, and interest to a product concept, individually owned by David H. Trott, more particularly described as an incinerator designed for rapid consumption and burning of tree leave and similar combustible materials.
Eugene W. Gilson c/o The Procter & Gamble Company P. O. Box 599 Cincinnati, Ohio 45201	8%	\$20,000.00
Thomas J. Klinedinst 2531 Observatory Avenue Cincinnati, Ohio 45208	4%	\$10,000.00
E. A. Snow Highland Towers Cincinnati, Ohio 45202	4%	\$10,000.00

The above detailed contributions of the Limited Partners shall be paid to the partnership by July 8, 1966.

Notwithstanding the above percentage of interest for each partner, if the partnership experiences a net loss for any fiscal year or period, which loss reduces the total credit balance in the capital accounts of the partnership to an amount which is lesser than the total amount of cash contributed by the Limited Partners to the partnership's capital, then such portion of the net loss which causes the reduction in the contributed cash capital shall be

shared solely by the Limited Partners in the same proportion that the amount of their cash contribution bears to the total amount of cash contributed by all the Limited Partners. And while there exists any reduction in the Limited Partners' contributed cash capital and the partnership experiences a net profit in the following fiscal year or period, then such portion of the net profit which eliminated such reduction and restores the total cash contributed to capital shall be shared solely by the Limited Partners in the same proportions as is set out above for the sharing of any net loss.

Nothing in this Item 4 is intended to modify or change the express language of Item 9 of this agreement.

The modifications made herein to the General and Limited Partners' interest in the partnership's profits and losses shall be effective for the fiscal period ending December 31, 1966 and thereafter.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the day and year first above written.

/s/ DAVID H. TROTT
General Partner

/s/ EUGENE W. GILSON
Limited Partner

/s/ THOMAS J. KLINEDINST
Limited Partner

/s/ E. A. SNOW
Limited Partner

CERTIFICATE OF LIMITED PARTNERSHIP

AGREEMENT made this day of March, 1965, at Cincinnati, Ohio, by and among David H. Trott, Robert Boggild and William Dale, as General Partners, and George L. Sterne, Edwin A. Snow, Trustee, Edward J. Noble, L. S. Brucker, Jr., Trustee, and Eugene W. Gilson as Limited Partners,

W I T N E S S E T H :

WHEREAS, the General and Limited Partners referred to above desire to form a Limited Partnership pursuant to the Uniform Limited Partnership Act of Ohio, Chapter 1781 of the Ohio Revised Code,

NOW, THEREFORE, it is agreed by and among the parties hereto that upon the execution and delivery of this Certificate of Limited Partnership, a Limited Partnership shall exist composed of the General and Limited Partners referred to above, formed pursuant to the Uniform Limited Partnership Act, Chapter 1781 of the Ohio Revised Code, upon the following terms and conditions:

(1) The partnership shall be conducted under the firm name and style of "Echo Development Company."

(2) The principal office and place of business shall be at 8120 Blue Ash Road, Cincinnati, Ohio.

(3) The purpose and business of the partnership shall be the development of a new consumer product in the electronics field.

(4) The name and address of each General Partner and each Limited Partner and the amount of cash or the agreed value of other property contributed by each Limited Partner, together with the interest in the profits of the partnership of each General Partner and Limited Partner shall be as follows:

GENERAL PARTNERS

Name and Place of Residence	Percentage
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio 45208	20%
Robert Boggild 8770 Indian Hill Road Cincinnati, Ohio 45243	10%
William Dale 197 Ireland Avenue Cincinnati, Ohio 45218	10%

LIMITED PARTNERS

Name and Place of Residence	Amount of Contribution	Percentage
George L. Sterne 615 McAlpin Avenue Cincinnati, Ohio 45220	All right, title and interest to a product concept individually owned by George L. Sterne, which product concept is more particularly described in an Agreement dated February 18, 1965, between George L. Sterne, David H. Trott, Robert Boggild and William L. Dale.	20%
Edwin A. Snow, Trustee Highland Towers Cincinnati, Ohio	\$15,000.00	10%
Edward J. Noble Sierra Amatepec 173 Mexico, D.F., Mexico	\$15,000.00	10%
L. S. Brucker, Jr., Trustee 3045 Erie Avenue Cincinnati, Ohio	\$15,000.00	10%
Eugene W. Gilson 7 avenue de l'Ermitage Geneva, Switzerland	\$15,000.00	10%

(5) The partnership shall commence upon the execution and delivery of these Articles, the payment by and

on behalf of each Limited Partner of his contribution to the partnership and the execution and filing of a signed copy of this Certificate of Limited Partnership in accordance with the provisions of Section 1781.02 of the Ohio Revised Code. The partnership shall thereafter continue until dissolved by the partners, or until the earlier death or incapacity of any of the then General Partners.

(6) Any amendment, change, alteration, addition, modification, or qualification may be made in the terms of this contract when made in writing and signed by all the partners.

IN WITNESS WHEREOF, the parties have set their hands as of the day and year first above written.

/s/ DAVID H. TROTT
General Partner

/s/ ROBERT BOGGILD
General Partner

/s/ WILLIAM L. DALE
General Partner

.....
George L. Sterne, Limited Partner

/s/ EDWIN A. SNOW
Trustee, Limited Partner

/s/ EDWARD J. NOBLE
Limited Partner

/s/ L. S. BRUCKER, JR.
Trustee, Limited Partner

.....
Eugene W. Gilson, Limited Partner

CERTIFICATE OF LIMITED PARTNERSHIP

AGREEMENT made this day of March, 1965, at Cincinnati, Ohio, by and between DAVID H. TROTT, ROBERT BOGGILD and WILLIAM DALE, as General Partners, and EDWIN A. SNOW, Trustee, EDWARD J. NOBLE, L. S. BRUCKER, JR., Trustee, and EUGENE W. GILSON, as Limited Partners,

WITNESSETH:

WHEREAS, the General and Limited Partners referred to above desire to form a Limited Partnership pursuant to the Uniform Limited Partnership Act of Ohio, Chapter 1781 of the Ohio Revised Code,

NOW, THEREFORE, it is agreed by and among the parties hereto that upon the execution and delivery of this Certificate of Limited Partnership, a Limited Partnership shall exist composed of the General and Limited Partners referred to above, formed pursuant to the Uniform Limited Partnership Act, Chapter 1781 of the Ohio Revised Code, upon the following terms and conditions:

- (1) The partnership shall be conducted under the firm name and style of "Courier Enterprises."
- (2) The principal office and place of business shall be at 8120 Blue Ash Road, Cincinnati, Ohio.
- (3) The purpose and business of the partnership shall be the development of a new consumer product in the electronics field.
- (4) The name and address of each General Partner and each Limited Partner and the amount of cash contributed by each Limited Partner, together with the inter-

est in the profits of the partnership of each General Partner and Limited Partner shall be as follows:

GENERAL PARTNERS

Name and Place of Residence	Percentage
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio 45208	40%
Robert Boggild 8770 Indian Hill Road Cincinnati, Ohio 45243	10%
William Dale 197 Ireland Avenue Cincinnati, Ohio 45218	10%

LIMITED PARTNERS

	Amount of Contribution	
Edwin A. Snow, Trustee Highland Towers Cincinnati, Ohio	\$5,000.00	10%
Edward J. Noble Sierra Amatepec 173 Mexico, D.F., Mexico	\$5,000.00	10%
L. S. Brucker, Jr., Trustee 3045 Erie Avenue Cincinnati, Ohio	\$5,000.00	10%

Eugene W. Gilson
 7 avenue de l'Ermitage
 Geneva, Switzerland

\$5,000.00

10%

(4) The partnership shall commence upon the execution and delivery of these Articles, the payment by and on behalf of each Limited Partner of his contribution to the partnership and the execution and filing of a signed copy of this Certificate of Limited Partnership in accordance with the provisions of Section 1781.02 of the Ohio Revised Code. The partnership shall thereafter continue until dissolved by the partners, or until the earlier death or incapacity of any of the then General Partners.

(6) Any amendment, change, alteration, addition, modification, or qualification may be made in the terms of this contract when made in writing and signed by all the partners.

IN WITNESS WHEREOF, the parties have set their hands as of the day and year first above written.

/s/ DAVID H. TROTT
 General Partner

/s/ ROBERT BOGGILD
 General Partner

/s/ WILLIAM L. DALE
 General Partner

/s/ EDWIN A. SNOW
 Trustee, Limited Partner

/s/ EDWARD J. NOBLE
 Limited Partner

/s/ L. S. BRUCKER, JR.
 Trustee, Limited Partner

/s/ EUGENE W. GILSON
 Limited Partner

**LETTER FROM DAVID H. TROTT TO
ROBERT BOGGILD DATED 4-28-65**

U. S. Tax Court, November 16, 1971

Docket No. 7125-70

April 28, 1965

Mr. Robert Boggild, President,
Crossbow, Incorporated
8120 Blue Ash Road
Cincinnati, Ohio 45236

Dear Bob:

This outlines the basis on which Crossbow will undertake development work on a compact battery-operated tape recorder, designated by the code name CINCH, on behalf of the partnership owning all rights to same, known as Courier Enterprises.

1. Crossbow will develop CINCH to the working model stage, and as far beyond as available money may afford.
2. All work will be done on a time and materials basis, at the following labor rates:

Drafting	— \$6.00 per hour
Shop	— \$8.00 per hour
Design	— \$9.00 per hour
Development Engineer	— \$12.00 per hour
Chief Project Engineer	— \$20.00 per hour

It is my understanding that the above rates are competitive in the community to those charged by other shops engaged in similar work.

3. Crossbow will exert its best efforts to complete the assignment within the funds which Courier Enterprises has available for this purpose — \$20,000.00 in total.

4. Crossbow will make every effort to complete the assignment within nine months from this date. If in the sole opinion of Courier Enterprises the progress of the project is unsatisfactory, it may remove the project from Crossbow responsibility after one year from this date.

5. Any equipment purchased by Crossbow solely for use in connection with this assignment, will be charged to the project and will become the property of Courier Enterprises.

6. All rights to patentable features, and to patents thereon, developed by Crossbow specifically in the course of development work on CINCH, will become the property of Courier Enterprises.

7. Courier Enterprises will be billed monthly for time and materials. No advance payments will be made. On occasion, however, Crossbow may request a cash advance when necessary to cover a substantial cash outlay by Crossbow, in the amount of this outlay.

8. The confidential nature of Crossbow's work on CINCH will be guarded insofar as possible by written security agreement signed by all Crossbow employees.

Please initial one copy of this letter and return it to me, as evidence of your agreement.

Sincerely,

/s/ D. H. TROTT

/s/ R. BOGGILD
DHT/do

**LETTER FROM WOOD, HERRON & EVANS TO
DAVID H. TROTT, DATED 12-10-65**

U. S. Tax Court, November 16, 1971
Docket No. 7125-70

LETTERHEAD OF WOOD, HERRON & EVANS

December 10, 1965

Mr. David H. Trott
3351 Stettinius
Cincinnati, Ohio 45208

Re: Cyclone Furnace Leaf Burner

Dear Dave:

This is a report of the supplementary patentability search which we have made with respect to your cyclone burner invention. As I understand it, the original search made in late 1964 was reported orally. I believe at that time you were advised that there was no chance for patent protection on the broad concept of a cyclone furnace used in conjunction with a vacuum cleaner type leaf collector mounted on a rolling platform.

Your invention has progressed from the time of that report in the direction of improving the burning apparatus and you have improved it in three major respects. First, you mount a diverter at the top of a primary combustion chamber and create above it a secondary combustion chamber. The diverter has a central passageway projecting into the primary combustion chamber. Distribution vanes are secured to the top of the passageway and cause gases and entrained solids to be swirled in the secondary chamber.

The second feature might be called your ignition structure. This comprises a grate at the lower end of the primary combustion chamber in combination with vanes extending across the lower end of the combustion chamber and spaced above the grate. A secondary air inlet passage-way is connected to the lower end of the combustion chamber below the grate. In operation, a few glowing briquettes are placed on the grate and the secondary air causes them to glow brightly and ignite any solids contacting them. The vanes serve to break up the high velocity swirling air in the main combustion chamber, thereby creating in the space between the vanes and the grate a more or less gently flowing air which permits the solids to remain in contact with the briquettes for a sufficient length of time for their ignition.

The third feature comprises the use of a cooling jacket surrounding the main and secondary combustion chambers with provision for bleeding secondary air from the main intake blower to the jacket. The important aspect of this feature is that a large volume of air is required to bring the solids into the burner but preferably that volume of air should be diminished before going into the combustion chamber for too much air will have an adverse effect on the burning. By taking secondary air from the main intake, you are able to provide (a) sufficient air to bring the solids into the system, (b) sufficient air for cooling, and (c) diminished air, as desired, in the combustion chamber.

We are of the opinion that the Patent Office would be justified in granting protection to the features as outlined above. We may encounter some difficulties in obtaining protection for the reasons discussed below. Our opinion is based on a search of the Patent Office records and our study of the pertinent patents located which are as follows:

Patent No.	Inventor	Date
3,202,118	J. J. Baldine	Aug. 24, 1965
2,861,423	J. Jerie et al	Nov. 25, 1958
2,793,626	E. Hubel	May 28, 1957
2,646,758	J. G. Greemen	July 28, 1953
2,527,934	E. S. Jeffries, Sr.	Oct. 31, 1950

The Hubel patent 2,793,626 and Greemen patent 2,646,758 show the concept of two distinct combustion chambers. Neither shows your concept of two spaced cyclone chambers located one above the other and separated by the diverter. Your distinct structure should be patentable. However, in writing it up, we will be well advised to develop reasons for its being considered an improvement over structures such as are shown in the Hubel and Greemen patents. Otherwise, the patent Examiner might well take the position that your particular structure for achieving two combustion chambers is merely a matter of choice not involving the exercise of invention.

The Greemen patent is also pertinent in showing a grate at the bottom of the combustion chamber. The Greemen patent, however, lacks the vanes spaced above the grate which control the flow of air over the grate. None of the other patents shows that particular structure and we believe that we should be able to obtain patent protection to it.

The Jefferies patent 2,527,934 and the Jerie patent 2,861,423 show a combustion chamber surrounded by jackets with provision for cooling air to pass between the jacket and the combustion chamber. Neither shows the concept of bleeding off a portion of the main inlet air to attain the results outlined above. In the absence of a showing of your particular combination, the possibility of obtaining patent protection exists although we will be

faced with a position that the bleeding off of secondary air from the main source is a matter of convenience not involving the exercise of invention.

I have reviewed the patents which were located during the earlier search and I see nothing in them which would alter the opinions expressed above. I am returning those patents with the newly obtained patents for your consideration. Before beginning the preparation of a patent application, I would like to have the patents returned for such assistance as they will be in the preparation of an application.

I am not sure that you are ready to have the patent application prepared. If you are in the process of constructing a prototype utilizing your inventive features, you may wish to delay the preparation of the application until the completion of the prototype so that the application as filed will have the benefit of any improvements and/or greater understanding of the operation obtained through the creation of the prototype.

Sincerely,

/s/ BILL

William G. Konold

WGK:st
Enclosures

**LETTER FROM WOOD, HERRON & EVANS TO
DAVID H. TROTT, DATED 2-22-66**

U. S. Tax Court, November 16, 1971

Docket No. 7125-70

LETTERHEAD OF WOOD, HERRON & EVANS

February 22, 1966

Mr. David H. Trott
Crossbow, Inc.
8120 Blue Ash Road
Cincinnati, Ohio

Dear Dave:

This is to confirm the oral advice given to you during our meeting with Ralph Ross on January 21 respecting the status of the leaf burner development. I have advised you that it is reasonable to conclude that the leaf burner has not yet been reduced to practice within the contemplation of Section 102G of the patent laws as incorporated in the Internal Revenue Code. This opinion is based on my examination of the leaf burners and my discussion with you of the tests which you have made on them.

We examined two models and in general neither of them performs satisfactorily enough to be a marketable product.

One of the deficiencies of the first model is that it burned too hot and this suggests a new approach to the cooling system.

The second model did not handle fresh leaves too well, the fresh leaves becoming jammed in their main intake. Further, and this may be applicable to both models, unburned solids tend to drop below the main cyclone air

stream into the ignition area and require additional blasts of secondary air up through the bottom of the device in order to force these solids into the main stream.

The two models of the leaf burner are big institutional type devices and an objective is to make a smaller leaf burner which will be saleable to the individual home owner. Since it is obviously more difficult to handle leaves in a smaller unit than in the bigger units, which have not yet performed satisfactorily, much development work will have to be done in the development of the small unit.

The fact situation presents a rather close question of the applicability of the term "reduce to practice" to your leaf burner. However, the Patent Office standard for reduction of practice is very high. The manner in which Section 102G is interpreted in patent case law is well expressed in *Field v. Knowles*, 183 F2d 593, 601 as follows:

"Thus, in the case of an ice-making machine, it must appear from the tests relied upon to establish actual reduction to practice that the machine operated for a sufficient length of time to demonstrate continued and adequate production of ice."

In the present situation, neither of the two models of leaf burners operated for a sufficient length of time to demonstrate continued and adequate burning of leaves. Rather, the tests demonstrate that additional work would be necessary in order to modify them to the extent necessary for the continuous leaf burning function.

In light of the foregoing, I have advised that the leaf burner invention has not yet been reduced to practice.

Sincerely,

/s/ BILL

William G. Konold

WGK: st

**ORDER OF THE SUPREME COURT OF THE
UNITED STATES ALLOWING CERTIORARI,
DATED 1-7-74**

**SUPREME COURT OF THE UNITED STATES
JANUARY 7, 1974**

SNOW

v.

COMMISSIONER OF INTERNAL REVENUE

No. 73-641

"The petition for a Writ of Certiorari is granted. Mr. Justice Stewart took no part in the consideration or decision of this petition."

APPENDIX
Volume II

IN THE
SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1973

No. 73-641

EDWIN A. AND HELEN B. SNOW

Petitioners,

—v.—

COMMISSIONER OF INTERNAL REVENUE,

Respondent.

On Writ of Certiorari to the
United States Court of Appeals for the Sixth Circuit

PETITION FOR CERTIORARI FILED OCTOBER 12, 1973
CERTIORARI GRANTED JANUARY 7, 1974

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Note: The opinions of the Tax Court and the
Court of Appeals appear in the Appendix
to Snow's Petition for a Writ of Certiorari
at pages 13-44.

1040

U.S. Individual Income Tax Return

for the year January 1-December 31, 1966, or other taxable year beginning

1966, ending 19..... U.S. Treasury Department—Internal Revenue Service

EXH. 1-A

First name and initial (If joint return, use last names and middle initials of both) EDWIN A. AND HELEN B. **Last name** SNOW **Your social security number (Husband's, if joint return)** 268 10 7113

Home Address (Number and street or rural route) HIGHLAND TOWERS, 1071 CELESTIAL STREET **Your occupation** EXECUTIVE

City, town or post office, and State CINCINNATI, OHIO **ZIP code** 45202 **Wife's number, if joint return** 269 09 1810

Enter the name and address used on your return for 1965 (if the same as above, write "Same"). If none filed, give reason. If changing from separate to joint or joint to separate returns, enter 1965 names and addresses. SAME

Your present employer and address THE P & G. COMPANY, CINCINNATI, OHIO **Wife's present employer and address, if joint return**

EXH. 1-A

Filing Status—check only one:

- 1a ☐ Single
- 1b ☒ Married filing joint return (even if only one had income)
- 1c ☐ Married filing separately. If your husband or wife is also filing a return give his or her first name and social security number.

- Exemptions** Regular 65 or over Blind
- 2a Yourself ☒ ☐ ☐ ☒
- 2b Wife ☒ ☐ ☐ ☒

3a First names of your dependent children who lived with you

SEE SCHEDULE 1

- 1d ☐ Unmarried Head of Household
- 1e ☐ Surviving widow(er) with dependent child

- 3b Number of other dependents (from page 2, Part I, line 3) Enter number > 2
- 4 Total exemptions claimed > 4

Income	5	Wages, salaries, tips, etc. If not shown on attached Forms W-2 attach explanation	200,000
If joint return, include all income of both husband and wife	6	Other income (from page 2, Part II, line 8)	-115,000
	7	Total (add lines 5 and 6)	85,000
	8	Adjustments (from page 2, Part III, line 5)	
	9	Total income (subtract line 8 from line 7)	85,000

10 **Figure tax by using either 10 or 11** Tax Table—if you do not itemize deductions and line 9 is less than \$5,000, find your tax from tables in instructions. Do not use lines 11a, b, c, or d. Enter tax on line 12.

11 Tax Rate Schedule—

- 11a If you itemize deductions, enter total from page 2, Part IV. If you do not itemize deductions, and line 9 is \$5,000 or more enter the larger of:
- (1) 10 percent of line 9 or;
 - (2) \$200 (\$100 if married and filing separate return) plus \$100 for each exemption claimed on line 4, above.

Deduction under (1) or (2) limited to \$1,000 (\$500 if married and filing separately).

11b Subtract line 11a from line 9

11c Multiply total number of exemptions on line 4, above, by \$600

11d Subtract line 11c from line 11b. Enter balance on this line. (Figure your tax on this amount by using tax rate schedule on page 11 of instructions.) Enter tax on line 12.

Tax Computation	12	Tax (from either Tax Table, see line 10, or Tax Rate Schedule, see line 11)	82,730
	13	Total credits (from page 2, Part V, line 5)	230
	14a	Income tax (subtract line 13 from line 12)	83,110
	14b	Tax from recomputing prior year investment credit (attach statement)	32
	15	Self-employment tax (Schedule C-3 or F-1)	
	16	Total tax (add lines 14a, 14b, and 15)	83,143
	17	Total Federal income tax withheld (attach Forms W-2) SCH. 2	44,030
	18	1966 Estimated tax payments (include 1965 overpayment allowed as a credit)	38,750
	19	Excess F.I.C.A. Tax Withheld (two or more employers—see page 5 of inst.)	
	20	Nonhighway Federal gasoline tax—Form 4136, Reg. Inv.—Form 2439	
	21	Total (add lines 17, 18, 19, and 20)	82,730

Tax Credits Payments	22	If payments (line 21) are less than tax (line 16), enter Balance Due. Pay in full with this return	
	23	If payments (line 21) are larger than tax (line 16), enter Overpayment	
	24	Amount of line 23 you wish credited to 1967 Estimated Tax	
	25	Subtract line 24 from 23. Apply to: <input type="checkbox"/> U.S. Savings Bonds, with excess refunded or <input type="checkbox"/> Refund only	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on information of which he has any knowledge.

Sign here

If joint return, BOTH HUSBAND AND WIFE MUST SIGN even if only one had income.

Sign here LANIER, GUY, WALKER & CHATFIELD, CINCINNATI, OHIO 45202

Signature of preparer other than taxpayer.

Address

Date 4/10/67

Date 4/10/67

616-16-120-102

PART I. Exemptions Complete only for dependents claimed on line 5b, page 1

Form 1040-1960-2

(a) NAME (If more space is needed attach schedule)	(b) Relationship	(c) Was individual in your home, if born or died during year write "B" or "D"	(d) Was dependent on your income of \$500 or more?	(e) Amount YOU furnished for dependent's support, if 100%, write "ALL"	(f) Other person claiming dependent
1				\$	\$
2					

3 Total number of dependents listed above. Enter here and on page 1, line 5b ▶▶ 1

PART II. Income from sources other than wages, etc.**1a** Dividends and other distributions on stock (Name of payer—write (H), (W), (J), for stock held by husband, wife, or jointly)

SEE SCH 3

Total line 1a ▶▶ 18,602**1b** Exclusion (see instructions) 200**1c** Capital gain distributions. 106**1d** Nontaxable distributions 306**1e** Total lines 1b, 1c, and 1d 306**1f** Taxable dividends (line 1a less line 1e—
not less than zero) ▶▶ 18,296**2** Interest (name of payer)**2a** Earnings from savings and loan assoc.,
mutual savings banks, credit unions, etc. SCH 4Total line 2a 2401**2b** Interest on bank deposits (other than
mutual savings) 209**2c** Other interest (bonds, etc.) 2401Total line 2c 449**2d** Total interest income (lines 2a, 2b, & 2c) 449**3** Pensions and annuities, rents and royalties,
partnerships, estates or trusts, etc. (Sch. B) -9,760**4** Business income (Schedule C) -23,078**5** Sale or exchange of property (Schedule D) -1,000**6** Farm income (Schedule F) 91**7** Miscellaneous income (state nature) SCH 8Total line 7 91**8** TOTAL (add lines 1f through 7. Enter here
and on page 1, line 6) ▶▶ -15,002**PART III. Adjustments****1** "Sick pay" if included in line 5, page 1 (at-
tach Form 2440 or other required statement)**2** Moving expenses (attach Form 3903)**3** Employee business expense (attach Form
2106 or other statement)**4** Payments by self-employed persons to re-
tirement plans, etc. (attach Form 2950SE)**5** TOTAL ADJUSTMENTS (lines 1 through 4).
Enter here and on page 1, line 8 ▶▶**EXPENSE ACCOUNT INFORMATION**—If you had an expense allowance
or charged expenses to your employer, check here ☒ and see page 7 of
instructions.**PART IV. Itemized deductions**—Use only if you do not use
tax table or standard deduction.Medical and dental expense (not compensated by insurance or
otherwise)—Attach itemized list. If 65 or over see instructions.**1** Total cost of medicine and drugs 40**2** Enter 1% of line 9, page 1 15,932**3** Subtract line 2 from line 1 15,972**4** Other medical, dental expenses (include
hospital insurance premiums) SEE SCH 9**5** Total (add lines 3 and 4) 15,972**6** Enter 3% of line 9, page 1 3,601**7** Subtract line 6 from line 5; see page 8 of
instructions for maximum limitation ▶▶**Contributions**—Cash—including checks, money orders, etc.
(itemize) SEE SCH 9**1** Total cash contributions 40**2** Other than cash (see instructions for required
statement). Enter total of such items here. 15,932**3** Carryover from prior years (see page 8 of inst.) 15,972**4** Total contributions (add lines 1, 2, and
3—see instructions for limitation) ▶▶**Taxes**—Real estate SEE SCH 11State and local gasoline 3,601General sales (see page 15 of instructions) SEE SCH 11State and local income SEE SCH 11Personal property. SEE SCH 11Total taxes ▶▶**Interest expense**—Home Mortgage SEE SCH 10Other (itemize) SEE SCH 10Total interest expense ▶▶ 2,575**Miscellaneous deductions**—(see page 9 of instructions) SEE SCH 12Total Miscellaneous ▶▶ 325**TOTAL DEDUCTIONS** (for page 1, line 11a) ▶▶ 22,575**PART V. Credits****1** Retirement income credit (Schedule B) 285**2** Investment credit (Form 3463) 285**3** Foreign tax credit (Form 1116) 285**4** Tax-free covenant bonds credit 285**5** TOTAL CREDITS (add lines 1 through 4).
Enter here and on page 1, line 13 ▶▶ 285

1905

Attach this schedule to your income tax return, Form 1040

45202

AMOUNT

If your cost was fully recovered in prior years, enter the total amount received on line 5 and omit lines 1 through 4.

5 Taxable portion (excess, if any, of line 4 over line 3).

2 Net income (or loss) from rents and royalties (column 2 plus column 3 less columns 4, 5, and 6)

-9,760

3 Estates or trusts (name and address)

Total of Parts I, II, and III (Enter here and on page 2, Part II, line 3, Form 1040)

1 Total additional first-year depreciation (do not include in items below)**Total cost or other basis****2 Total depreciation (Enter here and in Part II, column 4 above)**

SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first year section 179	Other (specify)	Total
1 Under Rev. Proc. 62-21							
2 Other							

SCHEDULE D
(Form 1040)

U.S. Treasury Department
Internal Revenue Service

**Gains and Losses From Sales or Exchanges
of Property**

Attach this schedule to your income tax return, Form 1040

1966

Name and address as shown on page 1 of Form 1040

EDWIN A AND HELEN B SNOW
HIGHLAND TOWERS, 1071 CELESTIAL STREET
CINCINNATI OHIO 45202

Part I—CAPITAL ASSETS—Short-term capital gains and losses—assets held not more than 6 months

a. Kind of property and how acquired (see instructions for symbols to indicate how acquired—for example, use "B" for stock acquired by exercise of stock option or by employee stock purchase plan)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale	g. Gain or loss (d plus e less f)
1						

2 Enter your share of net short-term gain (or loss) from partnerships and fiduciaries

3 Enter unused short-term capital loss carryover from preceding taxable years (attach statement)

4 Net short-term gain (or loss) from lines 1, 2, and 3

Long-term capital gains and losses—assets held more than 6 months (12 months or more for certain livestock)

5 Enter gain from Part II, line 3

SEE SCHEDULE 7

-5,623

Total long-term gross sales price 78810

6 Enter the full amount of your share of net long-term gain (or loss) from partnerships and fiduciaries

27

7 Enter unused long-term capital loss carryover from preceding taxable years (attach statement)

8 Capital gain dividends

9 Net long-term gain (or loss) from lines 5, 6, 7, and 8

27

10 Combine the amounts shown on lines 4 and 9, and enter the net gain (or loss) here

11 If line 10 shows a GAIN—Enter 50% of line 9 or 50% of line 10, whichever is smaller. (Enter zero if there is a loss or no entry on line 9.) (See reverse side for computation of alternative tax)

12 Subtract line 11 from line 10. Enter here and in Part IV, line 1, on reverse side

13 If line 10 shows a LOSS—Enter here and in Part IV, line 1, the smallest of the following: (a) the amount on line 10; (b) the amount on page 1, line 11b, Form 1040, computed without regard to capital gains and losses; or (c) \$1,000.

-1,000

Part II—GAIN FROM DISPOSITION OF DEPRECIABLE PROPERTY UNDER SECTIONS 1245 AND 1250—assets held more than 6 months (see instructions for definitions)

Where double headings appear, use the first heading for section 1245 and the second heading for section 1250.

a. Kind of property and how acquired (if necessary, attach statement of descriptive details not shown below—write 1245 or 1250 to indicate type of asset)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Cost or other basis, cost of subsequent improvements (if not purchased, attach explanation) and expense of sale
1				

f. Depreciation allowed (or allowable) since acquisition		g. Adjusted basis (e less sum of f-1 and f-2)	h. Total gain (d less g)	i. Ordinary gain (lesser of f-2 or h) (see instructions)	j. Other gain (h less i)
f-1. Prior to January 1, 1962 OR Prior to January 1, 1964	f-2. After December 31, 1961 OR After December 31, 1963				

2 Total ordinary gain. Enter here and in Part IV, line 2, on reverse side

3 Total other gain. Enter here and in Part I, line 5; however, if the gains do not exceed the losses when this amount is combined with other gains and losses from section 1231 properly enter the total of column i in Part III, line 3.

Part III—PROPERTY OTHER THAN CAPITAL ASSETS

a. Kind of property and how acquired. (if necessary, attach statement of descriptive details not shown below)	b. Date acquired (mo., day, yr.)	c. Date sold (mo., day, yr.)	d. Gross sales price	e. Depreciation allowed (or allowable) since acquisition	f. Cost or other basis, cost of subsequent improvements (if not purchase), attach explanation and expense of sale	g. Gain or loss (d plus e less f)
1 Enter gain from Part II, line 3						
2 Enter your share of non-capital gain (or loss) from partnerships and fiduciaries						
3 Net gain (or loss) from lines 1 and 2. Enter here and in Part IV, line 3.						

Part IV—TOTAL GAINS OR LOSSES FROM SALE OR EXCHANGE OF PROPERTY

1 Net gain (or loss) from Part I, line 12 or 13	-1,000
2 Total ordinary gain from Part II, line 2	
3 Net gain (or loss) from Part III, line 3	
4 Total net gain (or loss), combine lines 1, 2, and 3. Enter here and on page 2, Part II, line 5, Form 1040.	-1,000

COMPUTATION OF ALTERNATIVE TAX—It will usually be to your advantage to use the alternative tax if the net long-term capital gain exceeds the net short-term capital loss, or if there is a net long-term capital gain only, and you are filing (a) a separate return with taxable income exceeding \$26,000, or (b) a joint return, or as a surviving husband or wife, with taxable income exceeding \$52,000, or (c) as a head of household with taxable income exceeding \$38,000.

1 Enter the amount from page 1, line 11d, Form 1040	
2 Enter amount from Part I, line 11, on reverse side	
3 Subtract line 2 from line 1	
4 Enter tax on amount on line 3 (use applicable tax rate schedule on page 11 of Form 1040 instructions)	
5 Enter 50% of line 2	
6 Alternative tax (add lines 4 and 5). If smaller than the tax figured on the amount on page 1, line 11d, Form 1040, enter this alternative tax on page 1, line 12, Form 1040 and write "Alternative" to left of entry	

INSTRUCTIONS (References are to the Internal Revenue Code)**GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY.**—Report details in appropriate part or parts.

In column (a) of Parts I, II, and III use the following symbols to indicate how the property was acquired: "A" for purchase on the open market; "B" for exercise of stock option or through employee stock purchase plan; "C" for inheritance or gift; "D" for exchange involving carryover of prior asset basis; and "E" for other.

"Capital assets" defined.—The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business) but does NOT include—

- (a) stock in trade or other property of a kind properly includable in his inventory if on hand at the close of the taxable year;
- (b) property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business;
- (c) property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 167;
- (d) real property used in the trade or business of the taxpayer;
- (e) certain government obligations issued on or after March 1, 1941, at a discount, payable without interest and maturing at a fixed date not exceeding 1 year from date of issue;
- (f) certain copyrights, literary, musical, or artistic compositions, etc.; or
- (g) accounts and notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property referred to in (a) or (b) above.

Special rules apply to dealers in securities for determining capital gain or ordinary loss on the sale or exchange of securities. Certain real property subdivided for sale may be treated as capital assets. Sections 1236 and 1257.

If the total distributions to which an employee is entitled under an employee's pension, bonus, or profit-sharing trust plan, which is exempt from tax under section 501(a), are paid to the employee in one taxable year, on account of the employee's separation from service, the aggregate amount of such distribution, to the extent it exceeds the amounts contributed by the employee, shall be treated as a long-term capital gain. (See section 402(a).)

Gain on sale of depreciable property between husband and wife or between a shareholder and a "controlled corporation" shall be treated as ordinary gain.

Gains and losses from transactions described in section 1231 (see below) shall be treated as gains and losses from the sale or exchange of capital assets held for more than 6 months if the total of these

gains exceeds the total of these losses. If the total of these gains does not exceed the total of these losses, such gains and losses shall not be treated as gains and losses from the sale or exchange of capital assets. Thus, in the event of a net gain, all these transactions should be entered in Part I of Schedule D. In the event of a net loss, all these transactions should be entered in Part III of Schedule D, or in other applicable schedules on Form 1040.

Section 1231 deals with gains and losses arising from—

- (a) sale, exchange, or involuntary conversion, of land (including in certain cases unharvested crops sold with the land) and depreciable property if they are used in the trade or business and held for more than 6 months.
- (b) sale, exchange, or involuntary conversion of livestock held for draft, breeding, or dairy purposes (but not including poultry) and held for 1 year or more.
- (c) the cutting of timber or the disposal of timber, coal, or domestic iron ore, to which section 631 applies, and
- (d) the involuntary conversion of capital assets held more than 6 months.

See sections 1231 and 631 for specific conditions applicable.

Gain from disposition of depreciable property under sections 1245 and 1250—assets held more than 6 months (Part I).—Report any gain from such property held for 6 months or less in Part III. Except as provided below section 1245 property means depreciable (a) personal property (other than livestock) including intangible personal property; and (b) tangible real property (except for buildings and their structural components) if used as an integral part of manufacturing, production, or extraction, or of furnishing transportation, communications, electrical energy, gas, water, or sewage disposal services, or used as a research or storage facility in connection with these activities.

Except as provided below section 1250 property means depreciable real property (other than section 1245 property).

See sections 1245(b) and 1250(d) for exceptions and limitations involving: (a) disposition by gift; (b) transfers at death; (c) certain tax-free transactions; (d) like-kind exchanges, involuntary conversions; (e) sales or exchanges to effectuate FCC policies and exchanges to comply with S.E.C. orders; (f) property distributed by a partnership to a partner; and (g) disposition of principal residence (section 1250 only).

(Instructions continued on reverse side of duplicate)

SCHEDULE C-2. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 11

This schedule is designed for taxpayers using the alternative guidelines and administrative procedures described in Revenue Procedures 62-21 and 65-13 as well as for those taxpayers who wish to continue using practices authorized prior to these revenue procedures. Where double headings appear use the first heading for depreciation under Revenue Procedures 62-21 and 65-13 and the second heading for other authorized practices.

[illegible]

SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first year (section 179)	Other (specify)	Total
1 Under Rev. Proc. 62-21							
2 Other							

EXPENSE ACCOUNT INFORMATION

Enter information with regard to yourself and your five highest paid employees. In determining the five highest paid employees, expense account allowances must be added to their salaries and wages. However, the information need not be submitted for any employee for whom the combined amount is less than \$10,000, or for yourself if your expense account allowance plus line 27, page 1, is less than \$10,000. See separate instructions for Schedule C, for definition of "expense account."

Name	Expense account	Salaries and wages
Owner		XXXXXXXXXXXXXX
1		
2		
3		
4		
5		

Did you claim a deduction for expenses connected with: (If answer to any question is "YES," check applicable boxes within that question.)

- F** A hunting lodge . . . ☐
 working ranch or farm . . . ☐
 fishing camp . . . ☐
 resort property . . . ☐
 pleasure boat or yacht . . . ☐
 or other similar facility . . . ☐?
- (Other than where the operation of the facility was your principal business.) ☐ YES ☒ NO
- G** Vacations for you or members of your family, or employees or members of their families? (Other than vacation pay reported on Form W-2.) ☐ YES ☒ NO
- H** The leasing, renting, or ownership of a hotel room or suite ☐, apartment ☐, or other dwelling ☐, which was used by you, your customers, employees, or members of their families? (Other than use by yourself or employees while in business travel status.) ☐ YES ☒ NO
- I** The attendance of members of your family or your employees' families at conventions or business meetings? ☐ YES ☒ NO

ADDITIONAL INFORMATION

- 1 Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories? ☐ YES ☐ NO. If "Yes," attach explanation.
- 2 Are you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1966? (See last paragraph of separate instructions for Schedule C.) ☐ YES ☒ NO. If "Yes," where were they filed? _____

SCHEDULE C-2. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 11

This schedule is designed for taxpayers using the alternative guidelines and administrative procedures described in Revenue Procedures 62-21 and 65-13 as well as for those taxpayers who wish to continue using practices authorized prior to these revenue procedures. Where double headings appear use the first heading for depreciation under Revenue Procedures 62-21 and 65-13 and the second heading for other authorized practices.

[illegible]

SUMMARY OF DEPRECIATION

	Straight line	Declining balance	Sum of the years-digits	Units of production	Additional first year (section 179)	Other (specify)	Total
1 Under Rev. Proc. 62-21							
2 Other							

EXPENSE ACCOUNT INFORMATION

Enter information with regard to yourself and your five highest paid employees. In determining the five highest paid employees, expense account allowances must be added to their salaries and wages. However, the information need not be submitted for any employee for whom the combined amount is less than \$10,000, or for yourself if your expense account allowance plus line 27, page 1, is less than \$10,000. See separate instructions for Schedule C, for definition of "expense account."

Name	Expense account	Salaries and wages
Owner		XXXXXXXXXXXX
1		
2		
3		
4		
5		

Did you claim a deduction for expenses connected with: (If answer to any question is "YES," check applicable boxes within that question.)

- F** A hunting lodge ☐
 working ranch or farm ☐
 fishing camp ☐
 resort property ☐
 pleasure boat or yacht ☐
 or other similar facility ☐

(Other than where the operation of the facility was your principal business.) ☐ YES ☒ NO

- G** Vacations for you or members of your family, or employees or members of their families? (Other than vacation pay reported on Form W-2.) ☐ YES ☒ NO

- H The leasing, renting, or ownership of a hotel room or suite ☐, apartment ☐, or other dwelling ☐, which was used by you, your customers, employees, or members of their families? (Other than use by yourself or employees while in business travel status.) ☐ YES ☒ NO

- 1 The attendance of members of your family or your employees' families at conventions or business meetings?
☐ YES ☒ NO

ADDITIONAL INFORMATION

- 1 Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories? ☐ YES ☐ NO. If "Yes," attach explanation.
- 2 Are you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1966? (See last paragraph of separate instructions for Schedule C.) ☐ YES ☒ NO. If "Yes," where were they filed? _____

Computation of Investment Credit

TO BE ATTACHED TO YOUR TAX RETURN
For the year January 1-December 31, 1966, or other taxable year beginning
1966, ending 19

1966

Name and address

EDWIN A AND HELEN B SNOW
HIGHLAND TOWERS, 1071 CELESTIAL STREET
CINCINNATI OHIO 45202

1 Investment in new and used property including investment in suspension period property

NOTE: Include your share of investment in property by a partnership, estate, trust, small business corporation, or lessor.

Type of property	Line	(1) Life years	(2) Cost or basis	(3) Applicable percentage	(4) Investment (Column 2 x column 3)
NEW PROPERTY	(a)	4 or more but less than 6		33 1/3	
	(b)	6 or more but less than 8		66 2/3	
	(c)	8 or more		100	
USED PROPERTY (See instructions for dollar limitation)	(d)	4 or more but less than 6		33 1/3	
	(e)	6 or more but less than 8		66 2/3	
	(f)	8 or more		100	

2 Total investment—Add lines 1(a) through (f)

3 (a) Amount of investment on line 2 which is attributable to suspension period property

(b) Amount of exemption from suspension period property (amount of investment in suspension period property in column 2, line 1, which is selected to be treated as qualified property—not to exceed \$20,000)

(c) Enter in column 2 below the amount of investment on line 3(b) according to life years:

(1) Life years	(2) Cost or basis	(3) Applicable percentage	(4) (Column 2 x column 3)
4 or more but less than 6		33 1/3	
6 or more but less than 8		66 2/3	
8 or more		100	

(d) Total of column 4

4 Line 3(a) less line 3(d)

5 Total qualified investment—Line 2 less line 4

6 Tentative investment credit—7% of line 5 (3% for public utility property)

7 Carryback and carryover of unused credit(s) (attach computation)

8 TOTAL—Add lines 6 and 7

COMPUTATION OF TAX FOR PURPOSES OF LIMITATION

9 (a) Individuals—Enter amount from line 12, page 1, Form 1040

(b) Estates and trusts—Enter amount from line 25 or 26, page 1, Form 1041

(c) Corporations—Enter amount from line 7, Tax Computation Schedule, Form 1120

10 Individuals, estates and trusts: (a) Foreign tax credit

(b) Retirement income credit

11 Total—Add lines 10(a) and (b)

12 Line 9 less line 11

LIMITATION BASED ON AMOUNT OF TAX

(Married persons filing separately, affiliated groups, estates and trusts, see instruction 13)

13 (a) Enter amount on line 12 or \$25,000, whichever is lesser

(b) If line 12 is in excess of \$25,000, enter 25% of the excess

14 Total—Add lines 13(a) and (b)

15 Less 7% of line 4 (3% for public utility property)

16 Line 14 less line 15

17 Investment credit—Enter amount on line 8 or line 16, whichever is lesser

SCHEDULE A

If any part of your investment in 1 above was made by a partnership, estate, trust, small business corporation, or lessor complete the following:

Name (Partnership, estate, trust, etc.)	Address	Property		
		New	Used	Life years
		\$	\$	

1966 FEDERAL INCOME TAX SCHEDULE

PAGE 1

SCHEDULE 1 - EXEMPTIONS

TERRY
STEVE

SCHEDULE 2 - WAGES

EMPLOYER'S NAME AND ADDRESS	FICA	INC. TAX WITHHELD	WAGES & ETC.
(H) THE PROCTOR + GAMBLE CO, CINTI, OHIO	277	44,030	200,000
	277**	44,030**	200,000**

SCHEDULE 3 - DIVIDEND INCOME

	QLFYING	NON QLFYING	CAPITAL GAIN	NON TAXABLE
(H) PROCTOR + GAMBLE CO	13,550			
(W) PROCTOR + GAMBLE CO	1,500			
(H) OCCIDENTAL PETROLEUM CO	1,082			
(H) BOISE VALLEY				
(H) BROADCASTERS	867			
(H) NATL CASH REGISTER	1,260			
(W) ALBERTSONS INC	89			
(W) NATL SECURITIES SER	36		106	
(W) PROPHETS INVESTMENT				
(W) PARTNERSHIP	89			
(H) FOREST HILLS PULB CO	20			
(H) ACESS CORP	3			
	18,496**	0**	106**	0**

SCHEDULE 4 - INTEREST INCOME

INTEREST ON BANK DEPOSITS

FIRST NATL BK CINTI	209
	209**

EDWIN A AND HELEN B SNOW

3713-42

1966 FEDERAL INCOME TAX SCHEDULE

PAGE 2

SCHEDULE 4 - INTEREST INCOME (CONTINUED)

OTHER INTEREST
OCCIDENTAL PETROLEUM
CO (DEB)
PROPHETS INVESTMENT
PARTNERSHIP

234

6

240**

SCHEDULE 5 - PARTNERSHIP INCOME

ECHO DEVELOPMENT CO, CINTI, 0
COURIER ENTERPRISES, CINTI, 0
BURNS INVESTMENT CO, CINTI, 0

-563

-2

-9,195

-9,760**

EDWIN A AND HELEN B SNOW

3713-48

1966 FEDERAL INCOME TAX SCHEDULE

PAGE 3

SCHEDULE 6 - PROFIT OR LOSS FROM BUSINESS OR PROFESSION

BUSINESS NAME

OTHER BUSINESS EXPENSES (LINE 25)

INTANGIBLE DRILLING AND

DEVELOPMENT COSTS

OPERATING AND OTHER EXPENSES

MANAGEMENT FEE

17,610

4,895

572

TOTAL OTHER BUSINESS EXPENSES (LINE 25)

23,077**

OWIN A AND HELEN B SNOW

3713-43

1966 FEDERAL INCOME TAX SCHEDULE

PAGE 4

SCHEDULE 6 - PROFIT OR LOSS FROM BUSINESS OR PROFESSION (CONTINUED)

BUSINESS NAME

OTHER BUSINESS EXPENSES (LINE 25)

RACE NOMINATIONS	195
BOARD, BREAKING (FOREST RETREAT FARM)	634
BOARD, TRAINING (MAX HIRSCH)	2,849

TOTAL OTHER BUSINESS EXPENSES (LINE 25)

3,678**

SCHEDULE 7 - LONG-TERM CAPITAL GAINS AND LOSSES

DESCRIPTION	DATE ACQUIRED	DATE SOLD	SALES PRICE	ACCUM. DEP	COST OR OTHER BASIS	GAIN OR LOSS
330 SHS ALBERTSONS INC	10/31/63	7/31/66	4,221		1,986	2,235
400 SHS PROCTER + GAMBLE CO	10/18/61	7/20/66	26,300		13,800	12,500
600 SHS PROCTER + GAMBLE CO	10/17/63	6/30/66	37,950		20,700	17,250
1500 SHS AIR EXP INTL CORP	6/17/65	12/ 1/66	10,339		47,947	-37,608
TOTAL LONG TERM LOSS						-5,623**

SCHEDULE 8 - MISCELLANEOUS INCOME

PROCTER + GAMBLE CO, GROUP
LIFE INS PREM

91

91**

WIN A AND HELEN B SNOW

3713-48

1966 FEDERAL INCOME TAX SCHEDULE

PAGE 5

SCHEDULE 9 - ITEMIZED CONTRIBUTIONS

NON-CASH

FAIR MKT V 100 SHS P + G STK
ON

1/27/66 AT 69.6875 6,96875

FAIR MKT V 100 SHS P+G STK CN

7/11/66 AT \$64.4375 \$6,443.75

DONATED TO THE BEDFORD
FOUNDATION

13,412

TOTAL CONT. SUBJECT 20 PCT. LIMIT

13,412**

MISC. ORGANIZED CHARITIES
WALNUT HILL H S

15
25

NON-CASH

FAIR MKT V INNOCENTI SPORTS
CAR \$2,100

PAINTING SUNFLOWERS 150

BOLDS FROZEN RAINBOW TROUT 45

DONATED TO ZOOAUC CINTI OHIO

FAIR MKT V. USED ARTICLES AND

PAINTINGS DONATED TO

GARDE CENTER CHRISTMAS CARAVAN

2,295

225

TOTAL CONT. SUBJECT 30 PCT. LIMIT

2,560**

SCHEDULE 10 - ITEMIZED INTEREST EXPENSE

FIFTH THIRD UNION TRUST CO

2,975

2,975**

EDWIN A AND HELEN B SNOW-

3713-48-

1966 FEDERAL INCOME TAX SCHEDULE

PAGE 6

SCHEDULE 11 - ITEMIZED TAX EXPENSE

STATE AND LOCAL GASOLINE	245
STATE AND LOCAL INCOME	2,000
PERSONAL PROPERTY	1,033
SALES TAX (INCL AUTO \$62 JEWELRY \$111)	323
	3,601**

SCHEDULE 12 - ITEMIZED MISCELLANEOUS DEDUCTIONS

TAX COUNSEL	325
	325**

Name and address of taxpayer

EDWIN A. SNOW
HIGHLAND TOWERS

1071 CELESTIAL STREET

CINCINNATI, OHIO 45202

Form 1040
Attachment pursuant to
Reg. Sec. 1.61-15(c)(3)

Pursuant to the requirements of Regulation Section 1.61-15(c)(3) relating to information required upon receipt of a "non-qualified stock option" during calendar year 1966, the following information is furnished:

1. Name and address of the taxpayer:

EDWIN A. SNOW
HIGHLAND TOWERS, 1071 CELESTIAL STREET
CINCINNATI, OHIO 45202

2. Description of the stock subject to the option: 2,000 shares of common stock of The Procter & Gamble Company, Cincinnati, Ohio.

3. Period during which the option may be exercised: No part of the option can be exercised before October 11, 1967, at which time 20% of the option may be exercised. An additional 20% of the option becomes exercisable on October 11 of each of the next four years. The option expires on October 11, 1976.

4. Whether the option had a readily ascertainable fair market value when granted: Company's counsel has advised that the option does not have a readily ascertainable fair market value as defined by the Internal Revenue Service.

5. Whether the option was granted in payment of an amount constituting compensation: Company's counsel has advised that the option was granted in payment of an amount constituting compensation as defined by the Internal Revenue Service.

E. A. SNOW

THE STONE OIL COMPANY
SUMMARY OF RESULTS FOR FEDERAL INCOME TAX PURPOSES
OF JOINT VENTURE OIL OPERATIONS FOR THE YEAR 1966

Income tax data for Schedule C - Form 1040 (with
line number indicated):

Gross income (line 1) \$ 8,385.

Deductions:

Operating and other expenses (line 6)	\$ 4,895.	
Intangible drilling and development costs (line 25)	17,610.	
Depreciation (line 11)	2,298.	
Depletion (line 24)	<u>1,605.</u>	<u>26,408.</u>

(18,023.)

Management fee - The Stone Oil Company (line 25) 572.

Net profit or (loss) from operations (line 27) \$ (18,595.)

Supplementary income tax data:

Income or (loss) from sale of property:

Ordinary gain (Section 1245)	\$ <u>---</u>
Long-term gain (Section 1231)	\$ <u>---</u>

Investment tax credit - prior to October 10, 1966 \$ 288.

Investment tax credit - special exemption for suspension period property \$ ---

Capture of prior year investment tax credit (1962) \$ ---

Capture of prior year investment tax credit (1963) \$ ---

Capture of prior year investment tax credit (1964) \$ 22.

Capture of prior year investment tax credit (1965) \$ 10.

Additional additions of used tangible personal property taken into consideration in computing property additions eligible for the investment tax credit:

Prior to October 10, 1966 \$ 24.

Special exemption for suspension period property \$ ---

In accordance with the option granted by Section 263 (c) of the 1954 Internal Revenue Code, taxpayer hereby elects to treat as expense all intangible costs incurred in the drilling of productive wells and in the preparation of wells for the production of oil and gas.

E. A. Snow

INTEREST OWNED IN OIL VENTURES

MANAGED BY THE STONE OIL COMPANY

<u>Program and Fund</u>	<u>W.I. Owned</u>	<u>Interest In Fund</u>
1964 Program		
2, 3 & 4 - 64	.600	.800
1965 Program		
1 - 65	.675	.900
2 - 65	1.080	1.440
3 & 4 - 65	1.000	1.333
1966 Program	1.200	1.600

FORM 1065

U.S. Treasury Department
Internal Revenue Service

U.S. Partnership Return of Income

(To be filed also by syndicates, pools, joint ventures, etc.)

FOR CALENDAR YEAR 1966 or other taxable year beginning

August 1 1966, and ending December 31 1966
(PLEASE TYPE OR PRINT)

1966

A Date business commenced
August 1, 1966B Principal business activity
(See General Instruction K)

C Principal product or service

Name

BURNS INVESTMENT COMPANY

Number and street

8901 BLUE ASH ROAD

City or town and State

CINCINNATI, OHIO 45242

ZIP code

D Employer identification No.

No. Applied for

E County in which located

HAMILTON

IMPORTANT—All applicable lines and schedules must be filed in. If the lines on the schedules are not sufficient, see Instruction R.

INCOME

- 1 Gross receipts or gross sales Less: Returns and allowances
 2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)
 3 Gross profit
 4 Income (loss) from other partnerships, syndicates, etc. (attach statement)
 5 Nonqualifying dividends (attach list—see Instruction 5)
 6 Interest
 7 Rents (Schedule B)
 8 Royalties (attach schedule)
 9 Net farm profit (loss) (Schedule F, Form 1040)
 10 Net gain (loss) from sale or exchange of property other than capital assets
 (line 16, Schedule D, Form 1065)
 11 Other income (attach schedule)
 12 TOTAL income (lines 3 through 11)

DEDUCTIONS

- 13 Salaries and wages (other than to partners)
 14 Payments to partners—salaries and interest
 15 Rent
 16 Interest (Schedule C)
 17 Taxes (Schedule C)
 18 Losses by fire, storm, shipwreck, other casualty or theft (attach statement)
 19 Bad debts (Schedule H if reserve method is used)
 20 Repairs
 21 Depreciation (Schedule I)
 22 Amortization (attach schedule)
 23 Depletion (attach schedule)
 24 Retirement plans, etc. (other than for partners—see instructions)
 25 Other deductions (Schedule J)
 26 TOTAL deductions (lines 13 through 25)
 27 Ordinary income (loss) (line 12 less line 26)

- F Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NO
 G Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NO
 H Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NO

If "YES," see General Instruction P and enter appropriate amount here \$

I Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)

- 1 A hunting lodge ☐, working ranch or farm ☐, fishing camp ☐,
 resort property ☐, pleasure boat or yacht ☐, or other similar
 facility ☐? (Other than where operation of facility was the
 partnership's principal business.) ☐ YES ☒ NO

- 2 Vacations for partners or members of their families or em-
 ployees or members of their families? (Other than vacation
 pay reported on Form W-2.) ☐ YES ☒ NO

- 3 The leasing, renting, or ownership of a hotel room or suite ☐,
 apartment ☐, or other dwelling ☐, which was used by part-
 ners, customers, employees, or members of their families?
 (Other than use by partners or employees while in business
 travel status.) ☐ YES ☒ NO

- 4 Attendance of members of partners' families or your employees'
 families at conventions or business meetings? ☐ YES ☒ NO

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Sign here

Signature of partner or member

Date

Sign here

LANIER, GUY, WALKER & CHATFIELD CINCINNATI, OHIO 45202

Signature of preparer other than partner or member

3/28/67

Date

16-79298-1

BURNS INVESTMENT COMPANY

8901 BLUE ASH ROAD

CINCINNATI, OHIO 45242

FORM 1065

YEAR 1966

Other Deductions

Engineering Services (Research & Development)	\$36,780.44
--	-------------

Election Under Section 174

Burns Investment Company hereby elects to expense in the current taxable year - its first taxable year - research and development expenses pursuant to Section 174 (a).

This schedule is designed for taxpayers using the alternative guidelines and administrative procedures described in Revenue Procedures 62-21 and 65-13 as well as for those taxpayers who wish to continue using practices authorized prior to these revenue procedures. Where double headings appear use the first heading for depreciation under Revenue Procedures 62-21 and 65-13 and the second heading for other authorized practices.

SUMMARY OF DEPRECIATION

Schedule J—OTHER DEDUCTIONS. (See instruction 25)**Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, AND DEDUCTIONS**Continuation of Schedule K

6. Payments to partners—salaries and interest (line 14, page 1)		7. Qualifying dividends (attach list)	8. Net short-term gain (loss) from sale or exchange of capital assets (line 9, Schedule D)	9. Net long-term gain (loss) from sale or exchange of capital assets (line 13, Schedule D)	10. Net gain (loss) under section 1231 (line 6, Schedule D)	11. Net earnings from self-employment (line 10, Schedule N)	12. Expense account allowance (see instructions)
(a)							
(b)							
(c)							
(d)							
(e)							
Total							

BURNS INVESTMENT COMPANY

8901 BLUE ASH ROAD

CINCINNATI, OHIO 45242

FORM 1065

YEAR 1966

SCHEDULES K & M

	<u>Ordinary</u> <u>Loss</u>	<u>Capital</u> <u>8/1/66</u>	<u>Ordinary</u> <u>Loss</u>	<u>Capital</u> <u>12/31/66</u>
David H. Trott 3351 Slettenius Ave. Cincinnati, Ohio 45208				
Eugene W. Gilson c/o Procter & Gamble Co. P.O. Box 599 Cincinnati, Ohio 45201	\$(18,390.22)	\$20,000.00	\$(18,390.22)	\$1,609.78
Thomas J. Klinedinst 2531 Observatory Ave. Cincinnati, Ohio 45208	(9,195.11)	10,000.00	(9,195.11)	804.89
E.A. Snow Highland Towers Cincinnati, Ohio 45202	(9,195.11)	10,000.00	(9,195.11)	804.89
<u>TOTAL</u>	<u>\$(36,780.44)</u>	<u>\$40,000.00</u>	<u>\$(36,780.44)</u>	<u>\$3,219.56</u>

Schedule L—BALANCE SHEETS

	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
ASSETS				
1 Cash				3,219.56
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)				
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)				
13 Total assets				3,219.56
LIABILITIES AND CAPITAL				
14 Accounts payable				
15 Mortgages, notes, and bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Mortgages, notes, and bonds payable in 1 year or more				
18 Other liabilities (attach schedule)				
19 Partners' capital accounts				3,219.56
20 Total liabilities and capital				3,219.56

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS

	1. Capital account at beginning of year	2. Capital contributed during year	3. Income not included in column 4 plus non-taxable income	4. Ordinary income (loss) from line 27, page 1	5. Losses not included in column 4, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a)							
(b)							
(c)							
(d)			SCHEDULE ATTACHED				
(e)							
Totals							

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT. (See instruction for Schedule N)

1 Ordinary income increased by casualty losses (line 27 plus line 18, page 1)	
2 Add: Payments to partners—salaries and interest (line 14, page 1)	
3 Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4 Total	
5 Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6 Nonqualifying dividends (line 5, page 1)	
7 Interest (see instructions)	
8 Net rentals from real estate	
9 Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10 Net earnings from self-employment. Enter in column 11, Schedule K	

FORM **1065**
U.S. Treasury Department
Internal Revenue Service

U.S. Partnership Return of Income

FOR CALENDAR YEAR 1967 or other taxable year beginning

1967

A Employer Identification No.

31-6067071

Name

BURNS INVESTMENT COMPANY

D Principal business activity
(See General Instr. A)

B County in which located

HAMILTON

Number and street

5240 WOOSTER ROAD

E Principal product or service

C Date business commenced

August 1, 1966

City or town and State

CINCINNATI, OHIO

ZIP code

45226

F Was an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1967? ☐ Yes ☒ No

G Is this business located within the boundaries of the city, town, etc., indicated above? ☒ Yes ☐ No

H Was this partnership in business at the end of 1967? ☐ Yes ☐ No: I How many months in 1967 was this partnership in business? 12

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction R.

INCOME

1	Gross receipts or gross sales	Less: Returns and allowances	NONE
2	Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		
3	Gross profit		
4	Income (loss) from other partnerships, syndicates, etc. (attach statement)		
5	Nonqualifying dividends (attach list—see Instruction 5)		
6	Interest		
7	Rents (Schedule B)		
8	Royalties (attach schedule)		
9	Net farm profit (loss) (Schedule F, Form 1040)		
10	Net gain (loss) from sale or exchange of property other than capital assets (line 16, Schedule D, Form 1065)		
11	Other income (attach schedule)		
12	TOTAL income (lines 3 through 11)		NONE

DEDUCTIONS

13	Salaries and wages (other than to partners)		
14	Payments to partners—salaries and interest		
15	Rent		
16	Interest (Schedule J)		
17	Taxes (Schedule J)		
18	Losses by fire, storm, shipwreck, other casualty or theft (attach statement)		
19	Bad debts (Schedule H if reserve method is used)		
20	Repairs		
21	Depreciation (Schedule I)		
22	Amortization (attach schedule)		
23	Depletion (attach schedule)		
24	Retirement plans, etc. (other than for partners—see Instruction 24)		
25	Other deductions (Schedule J)		
26	TOTAL deductions (lines 13 through 25)		
27	Ordinary income (loss) (line 12 less line 26)		NONE

Schedule A—COST OF GOODS SOLD

1	Inventory at beginning of year (if different from last year's closing inventory, attach explanation)		
2	Purchases		
	Less: Cost of items withdrawn for personal use		
3	Cost of labor		
4	Material and supplies		
5	Other costs (attach schedule)		
6	Total of lines 1 through 5		
7	Less: Inventory at end of year		
8	Cost of goods sold. Enter here and on line 2 above (Method of inventory valuation)		

Client No. _____
Prepared by _____
Checked by _____
Typed by _____
Read by _____
Filed by _____
Approved by _____

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Signature of partner or member _____ Date _____

LANIER, GUY, WALKER & CHATFIELD CINCINNATI, OHIO 45202 4/6/68
Signature of preparer other than partner or member _____ Address _____ Date _____

Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

1. Give name, address, and social security number of each partner. (Designate nonresident aliens, if any.) Where return of partner or member is filed in another Internal Revenue district or in an Internal Revenue service center, specify district or service center.		2. Percentage of time devoted to business	3. COST OR BASIS OF INVESTMENT IN PROPERTY				
			(i) Life Years	(ii) Basis of new property	(iii) Cost of used property	Suspension period property	
						(iv) Included in col. (ii) & (iii)	(v) Amount in col. (iv) selected to be exempt
(a)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(b)	(Schedule Attached)		4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(c)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(d)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(e)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
Totals							

	4. Ordinary income (loss) (line 27, page 1)	5. Additional first-year depreciation	6. Payments to partners—salaries and interest (line 14, page 1)	7. Qualifying dividends (attach list)	8. Net short-term gain (loss) from sale or exchange of capital assets (line 9, Schedule D)
(a)					
(b)					
(c)					
(d)					
(e)					
Totals					

	9. Net long-term gain (loss) from sale or exchange of capital assets (line 13, Schedule D)	10. Net gain (loss) under section 1231 (line 6, Schedule D)	11. Net earnings from self-employment (line 10, Schedule N)	12. Contributions (see Sch. K instructions)	13. Expense amount allowance (see Sch. K instructions)
(a)					
(b)					
(c)					
(d)					
(e)					
Totals					

NOTE: See the instructions for other items required to be reported separately.

J Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories? Yes ☐ No ☒ If "Yes," attach explanation.K Were you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1967? Yes ☐ No ☒

If "Yes," where were they filed?

L Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NOM Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NON Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NO

If "YES," see General Instruction P and enter appropriate amount here. \$.....

O Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)

1 A hunting lodge ☐ resort property ☐
 working ranch or farm ☐ pleasure boat or yacht ☐
 fishing camp ☐ or other similar facility ☐?
 (Other than where operation of facility was the partnership's principal business.) ☐ YES ☒ NO

2 Vacations for partners or members of their families or employees or members of their families? (Other than vacation pay reported on Form W-2.) ☐ YES ☒ NO

3 The leasing, renting, or ownership of a hotel room or suite ☐ apartment ☐ or other dwelling ☐ which was used by partners, customers, employees, or members of their families? (Other than use by partners or employees while in business travel status.) ☐ YES ☒ NO

4 Attendance of members of partners' families or your employees' families at conventions or business meetings? ☐ YES ☒ NO

E.I. NO. 31-6067071

BURNS INVESTMENT COMPANY

5240 WOOSTER ROAD, CINCINNATI, OHIO 45226

YEAR 1967

SCHEDULES K AND M

<u>Partners - Names and Addresses</u>	<u>Ordinary Loss</u>	<u>Capital 1/1/67</u>	<u>Ordinary Loss</u>	<u>Capital 12/31/67</u>
David H. Trott 3351 Stettinius Ave. Cincinnati, Ohio 45208				
Eugene W. Gilson c/o Procter & Gamble Co. P. O. Box 599 Cincinnati, Ohio 45201		\$1,609.78		\$1,609.78
Thomas J. Klinedinst 2531 Observatory Avenue Cincinnati, Ohio 45208		804.89		804.89
E. A. Snow Highland Towers Cincinnati, Ohio 45202		804.89		804.89
<u>TOTAL</u>		<u>\$3,219.56</u>		<u>\$3,219.56</u>

Schedule L—BALANCE SHEETS

	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
ASSETS				
1 Cash		3,219.56		3,219.56
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)				
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)				
13 Total assets		3,219.56		3,219.56
LIABILITIES AND CAPITAL				
14 Accounts payable				
15 Mortgages, notes, and bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Mortgages, notes, and bonds payable in 1 year or more				
18 Other liabilities (attach schedule)				
19 Partners' capital accounts		3,219.56		3,219.56
20 Total liabilities and capital		3,219.56		3,219.56

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS

	1. Capital account at beginning of year	2. Capital contributed during year	3. Ordinary income (loss) from line 27, page 1	4. Income not included in column 3 plus non-taxable income	5. Losses not included in column 3, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a)							
(b)							
(c)			(Schedule Attached)				
(d)							
(e)							
Totals							

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT (See instruction for Schedule N)

1 Ordinary income increased by casualty losses (line 27 plus line 18, page 1)	
2 Add: Payments to partners—salaries and interest (line 14, page 1)	
3 Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4 Total	
5 Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6 Nonqualifying dividends (line 5, page 1)	
7 Interest (see instructions)	
8 Net rentals from real estate	
9 Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10 Net earnings from self-employment. Enter in column 11, Schedule K	

FORM 1065
U.S. Treasury Department
Internal Revenue Service

U.S. Partnership Return of Income

FOR CALENDAR YEAR 1968 or other taxable year beginning

1968

A Principal business activity
(See General Instruction K)

Name

BURNS INVESTMENT COMPANY

C Employer identification no.

31-6067071

B Principal product or service
(See General Instruction K)

Number and street

5240 WOOSTER ROAD

D County in which located

HAMILTON

City or town and State

CINCINNATI, OHIO

ZIP code

45226

E Date business commenced

August 1, 1966

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction R.

INCOME		
1	Gross receipts or gross sales	Less: Returns and allowances
2	Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)	
3	Gross profit	
4	Income (loss) from other partnerships, syndicates, etc. (attach statement)	
5	Nonqualifying dividends (attach list—see Instruction 5)	
6	Interest	
7	Rents (Schedule B)	
8	Royalties (attach schedule)	
9	Net farm profit (loss) (Schedule F, Form 1040)	
10	Net gain (loss) from sale or exchange of property other than capital assets (line 16, Schedule D, Form 1065)	
11	Other income (attach schedule)	
12	TOTAL income (lines 3 through 11)	NONE
DEDUCTIONS		
13	Salaries and wages (other than to partners)	
14	Payments to partners—salaries and interest	
15	Rent	
16	Interest (Schedule J)	
17	Taxes (Schedule J)	
18	Losses by fire, storm, shipwreck, other casualty or theft (attach statement)	
19	Bad debts (Schedule H if reserve method is used)	
20	Repairs	
21	Depreciation (Schedule I)	
22	Amortization (attach schedule)	
23	Depletion (attach schedule)	
24	Retirement plans, etc. (other than for partners—see Instruction 24)	
25	Other deductions (Schedule J)	3,219.56
26	TOTAL deductions (lines 13 through 25)	3,219.56
27	Ordinary income (loss) (line 12 less line 26) (see General Instruction G)	(3,219.56)

Schedule A—COST OF GOODS SOLD

1	Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	
2	Purchases	
	Less: Cost of items withdrawn for personal use	
3	Cost of labor	
4	Material and supplies	
5	Other costs (attach schedule)	
6	Total of lines 1 through 5	
7	Less: Inventory at end of year	
8	Cost of goods sold. Enter here and on line 2 above (Method of inventory valuation)	

Prepared by: CPA
 Checked by: CPA
 Date: 4/2/79

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Signature of partner or member

Date

E.I. NO. 31-6067071

BURNS INVESTMENT COMPANY

1240 WOOSTER ROAD

CINCINNATI, OHIO 45226

YEAR - 1968

SCHEDULES K AND M

<u>Partners - Names and</u> <u>Addresses</u>	<u>Ordinary</u> <u>Loss</u>	<u>Capital</u> <u>1/1/68</u>	<u>Ordinary</u> <u>Loss</u>	<u>Capital</u> <u>12/31/68</u>
David H. Trott 3351 Stettinius Ave. Cincinnati, Ohio 45208				
Eugene W. Gilson c/o Procter & Gamble Co. P. O. Box 599 Cincinnati, Ohio 45201	1,609.78	1,609.78	1,609.78	-0-
Thomas J. Klinedinst 2531 Observatory Avenue Cincinnati, Ohio 45208	804.89	804.89	804.89	-0-
E. A. Snow Highland Towers Cincinnati, Ohio 45202	804.89	804.89	804.89	-0-
<u>TOTAL</u>	<u>3,219.56</u>	<u>3,219.56</u>	<u>3,219.56</u>	<u>NONE</u>

Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

1. Give name, address, and social security number of each partner. (Designate nonresident alien, if any; where return of partner or member is filed in another Internal Revenue district or in an estate; have the service center, specify district or service center.)		2. Percentage of time devoted to business	3. COST OR BASIS OF INVESTMENT IN PROPERTY		
			(i) Life Years	(ii) Basis of new property	(iii) Cost of used property
(a)			4 or more but less than 6 6 or more but less than 8 8 or more		
(b)	(Schedule Attached)		4 or more but less than 6 6 or more but less than 8 8 or more		
(c)			4 or more but less than 6 6 or more but less than 8 8 or more		
(d)			4 or more but less than 6 6 or more but less than 8 8 or more		
(e)			4 or more but less than 6 6 or more but less than 8 8 or more		
Totals					

	4. Ordinary income (loss) (line 27, page 1)	5. Additional first-year depreciation (line 1, Schedule D)	6. Payments to partners—salaries and interest (line 14, page 1)	7. Qualifying dividends (attach list)	8. Net short-term gain (loss) from sale or exchange of capital assets (line 9, Schedule D)
(a)					
(b)					
(c)					
(d)					
(e)					
Totals					

	9. Net long-term gain (loss) from sale or exchange of capital assets (line 13, Schedule D)	10. Net gain (loss) under section 1231 (line 6, Schedule D)	11. Net earnings from self-employment (line 10, Schedule N)	12. Contributions (see Sch. K instructions)	13. Expense account allowance (see Sch. K instructions)
(a)					
(b)					
(c)					
(d)					
(e)					
Totals					

NOTE: See the instructions for other items required to be reported separately.

F Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories?
☐ YES ☒ NO. If "Yes," attach explanation.

G Were you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1968? ☐ YES ☒ NO
 If "Yes," where were they filed?

H Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NO

I Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NO

J Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NO

If "YES," see General Instruction P and enter appropriate amount here \$.....

K Did you claim a deduction for expenses connected with:

- (1) Entertainment facility (boat, resort, ranch, etc.)? ☐ YES ☒ NO
- (2) Living accommodations (except employees on business)? ☐ YES ☒ NO
- (3) Employees' families at conventions or meetings? ☐ YES ☒ NO
- (4) Employee or family vacations not reported on Form W-2? ☐ YES ☒ NO

Schedule L—BALANCE SHEETS (See General Instruction J)

ASSETS	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
1 Cash		3,219.56		
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)				
11 Intangible assets (amortizable only)				
(b) Less accumulated amortization				
12 Other assets (attach schedule)				
13 Total assets		3,219.56		NONE
LIABILITIES AND CAPITAL				
14 Accounts payable				
15 Mortgages, notes, and bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Mortgages, notes, and bonds payable in 1 year or more				
18 Other liabilities (attach schedule)				
19 Partners' capital accounts		3,219.56		
20 Total liabilities and capital		3,219.56		NONE

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS (See Instruction for Schedule M)

	1. Capital account at beginning of year	2. Capital contributed during year	3. Ordinary income (loss) from line 27, page 1	4. Income not included in column 3 plus non-taxable income	5. Losses not included in column 3, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT (See Instruction for Schedule N)

1 Ordinary income increased by casualty losses (line 27 plus line 18, page 1)	
2 Add: Payments to partners—salaries and interest (line 14, page 1)	
3 Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4 Total	
5 Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6 Nonqualifying dividends (line 5, page 1)	
7 Interest (see instructions)	
8 Net rentals from real estate	
9 Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10 Net earnings from self-employment. Enter in column 11, Schedule K	

FORM 1065

U.S. Treasury Department
Internal Revenue Service

U.S. PARTNERSHIP RETURN OF INCOME

(To be filed also by syndicates, pools, joint ventures, etc.)

FOR CALENDAR YEAR 1965

1965

A. Taxable year beginning

MARCH 16, 1965

or other taxable
year beginning1965, and ending 19.....
(PLEASE TYPE OR PRINT PLAINLY)

B. City in which located

HAMILTON

Name

ECHO DEVELOPMENT COMPANY

C. Principal business activity
(See General Inst. K)

Number and street

8120 BLUE ASH ROAD

D. Principal product or service

City or town and State

CINCINNATI, OHIO

Postal ZIP code

45236

E. Employer identifica-
tion number

Applied for

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction R.

See and instruction No.

INCOME

1. Gross receipts or gross sales	Less: Returns and allowances	
2. Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		
3. Gross profit (line 1 less line 2)		
4. Income (or loss) from other partnerships, syndicates, etc. (attach statement)		
5. Nonqualifying dividends (attach itemized list—see Instruction 5)		
6. Interest		823.27
7. Rents (Schedule B)		
8. Royalties (attach schedule)		
9. Net farm profit (or loss) (Schedule F, Form 1040)		
10. Net gain (or loss) from sale or exchange of property other than capital assets (from line 16, Separate Schedule D, Form 1065)		
11. Other income (attach schedule)		
12. Total income (lines 3 through 11)		823.27
DEDUCTIONS		
13. Salaries and wages (other than to partners)		
14. Payments to partners—salaries and interest		
15. Rent		
16. Interest (explain in Schedule C)		
17. Taxes (explain in Schedule C)		
18. Losses by fire, storm, shipwreck, or other casualty or theft (attach statement)		
19. Bad debts (from Schedule H if reserve method is used)		
20. Repairs		
21. Depreciation (Schedule I)		33.44
22. Amortization (attach schedule)		
23. Depletion of mines, oil and gas wells, timber, etc. (attach schedule)		
24. Retirement plans, etc. (other than for partners—see instructions)		
25. Other deductions authorized by law (explain in Schedule I)		79,957.43
26. Total deductions (lines 13 through 25)		79,990.87
27. Ordinary income (or loss) (line 12 less line 26)		(79,167.60)

F. Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NOG. Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NOH. Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NOI. If "YES," see General Instruction P and enter appropriate amount here. \$.....
(If answer to any question is "YES," check applicable boxes within that question.)

1. A hunting lodge ☐, working ranch or farm ☐, fishing camp ☐, resort property ☐, pleasure boat or yacht ☐, or other similar facility ☐? (Other than where operation of facility was the partnership's principal business.) ☐ YES ☒ NO
2. Vacations for partners or members of their families or employees or members of their families? (Other than vacation pay reported on Form W-2.) ☐ YES ☒ NO
3. The leasing, renting, or ownership of a hotel room or suite ☐, apartment ☐, or other dwelling ☐, which was used by partners, customers, employees, or members of their families? (Other than use by partners or employees while in business travel status.) ☐ YES ☒ NO
4. Attendance of members of partners' families or year employees' families at conventions or business meetings? ☐ YES ☒ NO

Under penalties of perjury, I declare that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Sign here

Signature of partner or member

Date

'Page 3

1. Group and decline class — OR — Description of property	2. Cost or other basis at beginning of year — OR — Cost or other basis	3. Asset additions in year (amount) — OR — Date acquired	4. Asset retirements in year (amount) (applicable only to Rev. Proc. 62-21)	5. Depreciation allowed or allowable in prior years	6. Method of computing depreciation	7. Class life — OR — Rate (%) or life	8. Depreciation for this year
---	---	---	--	---	---	--	----------------------------------

[illegible][illegible]

1. State name and address of each partner. (Designate nonresident aliens, if any.) Where return of partner or member is filed in another internal revenue district, specify district	2. Social Security number	3. Percentage of time devoted to business	4. Ordinary income (or loss) (line 27, page 1)	5. Additional first year depreciation
(a).....				
(b)..... (Schedule Attached)				
(c).....				
(d).....				
(e).....				
Totals.....				

6. Payments to partners—salaries and interest (line 14, page 1)	7. Qualifying dividends (attach itemized list)	8. Net short-term gain (or loss) from sale or exchange of capital assets (from line 9, Schedule D)	9. Net long-term gain (or loss) from sale or exchange of capital assets (from line 13, Schedule D)	10. Net gain (or loss) under section 1231 (from line 6, Schedule D)	11. Net earnings from self-employment (from line 10, Schedule M)	12. Expense amount allowance (see instructions)
(a) ...						
(b) ...						
(c) ...						
(d) ...						
(e) ...						
Total						

ECHO DEVELOPMENT COMPANY

8120 BLUE ASH ROAD, CINCINNATI, OHIO

YEAR 1965

OTHER DEDUCTIONS:

Engineering Services (Research and Development Expense)	\$76,592.65
Travel	461.88
Material and Supplies	2,386.29
Professional Services	324.75
Miscellaneous	<u>191.86</u>
	<u>\$79,957.43</u>

Election Under Section 174

Echo Development Company hereby elects to expense in the current taxable year -- its first taxable year -- research and development expenses pursuant to Section 174(a).

ECHO DEVELOPMENT COMPANY8120 BLUE ASH ROAD, CINCINNATI, OHIOYEAR 1965SCHEDULE K & SCHEDULE MPARTNERS' NAME AND ADDRESS

David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio	ORDINARY LOSS (15,833.52)	CAPITAL 3-16-65 - 0 -	ORDINARY LOSS (15,833.52)	CAPITAL CONTRIBUTION 12-31-65 (15,833.52)
Robert Boggild 8770 Indian Hill Road Cincinnati, Ohio	(7,916.76)	- 0 -	(7,916.76)	(7,916.76)
William Dale 197 Ireland Avenue Cincinnati, Ohio	(7,916.76)	- 0 -	(7,916.76)	(7,916.76)
Edwin H. Snow, Trustee Highland Towers, Cincinnati, Ohio	(7,916.76)	15,000.00	(7,916.76)	6,325.00 13,408.24
Edward J. Noble Sierra Amatepec 173 Mexico, D. F., Mexico	(7,916.76)	15,000.00	(7,916.76)	7,083.24
L. S. Brucker, Jr., Trustee 3045 Erie Avenue, Cincinnati, Ohio	(7,916.76)	15,000.00	(7,916.76)	7,083.24
Eugene W. Gilson 7 avenue de l'Ermilage Geneva, Switzerland	(7,916.76)	15,000.00	(7,916.76)	7,083.24
George L. Sterne 615 McAlpin Avenue Cincinnati, Ohio	(15,833.52)	- 0 -	(15,833.52)	(15,833.52)
TOTAL	(79,167.60)	60,000.00	(79,167.60)	6,325.00 (12,842.60)

Form 1065-1965

Schedule L.—BALANCE SHEETS

Page 4

ASSETS	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
1. Cash		60,000.00		6,667.69
2. Notes and accounts receivable				
(a) Less: Reserve for bad debts				
3. Inventories				
4. Investments in Government obligations				
5. Other current assets (attach schedule)				
6. Other investments (attach schedule)				
7. Buildings and other fixed depreciable assets			501.64	
(a) Less: Accumulated amortization and depreciation			33.44	468.20
8. Depletable assets				
(a) Less: Accumulated depletion				
9. Land (net of any amortization)				
10. Intangible assets (amortizable only)				
(a) Less: Accumulated amortization				
11. Other assets (attach schedule)				
12. Total assets		60,000.00		7,135.89
LIABILITIES AND CAPITAL				
13. Accounts payable				19,978.49
14. Mortgages, notes, and bonds payable in less than 1 year				
15. Other current liabilities (attach schedule)				
16. Mortgages, notes, and bonds payable in 1 year or more				
17. Other liabilities (attach schedule)				
18. Partners' capital accounts		60,000.00		(12,842.60)
19. Total liabilities and capital		60,000.00		7,135.89

Schedule M.—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS

	1. Capital account at beginning of year	2. Capital contributed during year	3. Income not included in column 4 plus non-taxable income	4. Ordinary income (or loss) from line 27, page 1	5. Losses not included in column 4, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a)							
(b)			Schedule Attached				
(c)							
(d)							
(e)							
Totals							

Schedule N.—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT. (See instruction for Schedule N)

1. Ordinary income increased by casualty losses (line 27 plus line 18, page 1). Include income from the performance of services as a doctor of medicine	
2. Add: Payments to partners—salaries and interest (line 14, page 1)	
3. Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4. Total	
5. Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6. Nonqualifying dividends (from line 5, page 1)	
7. Interest (see instructions)	
8. Net rentals from real estate	
9. Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10. Net earnings from self-employment. (Enter in column 11, Schedule K)	

U.S. Partnership Return of Income

(To be filed also by syndicates, pools, joint ventures, etc.)

FOR CALENDAR YEAR 1966 or other taxable year beginning

1966, and ending 19
(PLEASE TYPE OR PRINT)

1966

Name

ECHO DEVELOPMENT COMPANY

Number and street

8901 BLUE ASH ROAD

City or town and State

CINCINNATI, OHIO 45242

D Employer identification number

31-6060814

E County in which located

Hamilton

ZIP code

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction R.

INCOME	Line	Description	Amount
1	Gross receipts or gross sales	Less: Returns and allowances	
2	Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		
3	Gross profit		
4	Income (loss) from other partnerships, syndicates, etc. (attach statement)		
5	Nonqualifying dividends (attach list—see Instruction 5)		
6	Interest		
7	Rents (Schedule B)		
8	Royalties (attach schedule)		
9	Net farm profit (loss) (Schedule F, Form 1040)		
10	Net gain (loss) from sale or exchange of property other than capital assets (line 16, Schedule D, Form 1065)		
11	Other income (attach schedule)		
12	TOTAL income (lines 3 through 11)		

DEDUCTIONS	Line	Description	Amount
13	Salaries and wages (other than to partners)		
14	Payments to partners—salaries and interest		
15	Rent		
16	Interest (Schedule C)		
17	Taxes (Schedule C)		
18	Losses by fire, storm, shipwreck, other casualty or theft (attach statement)		
19	Bad debts (Schedule H if reserve method is used)		
20	Repairs		
21	Depreciation (Schedule I)		
22	Amortization (attach schedule)		
23	Depletion (attach schedule)		
24	Retirement plans, etc. (other than for partners—see instructions)		
25	Other deductions (Schedule J)		
26	TOTAL deductions (lines 13 through 25)		
27	Ordinary income (loss) (line 12 less line 26)		

Client No.	7.02
Prepared by	
Copies to be filed	1.0
Transmitted by	J.B.
Fee	50.16
Filed by	
Approved by	3/25/67
Date	
	5,571.76
	5,628.90
	(5,628.90)

F Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NO
G Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NO
H Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NO

If "YES," see General Instruction P and enter appropriate amount here \$
I Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)
1 A hunting lodge ☐, working ranch or farm ☐, fishing camp ☐, resort property ☐, pleasure boat or yacht ☐, or other similar facility ☐? (Other than where operation of facility was the partnership's principal business.) ☐ YES ☒ NO
2 Vacations for partners or members of their families or employees or members of their families? (Other than vacation day reported on Form W-2.) ☐ YES ☒ NO
3 The leasing, renting, or ownership of a hotel room or suite ☐, apartment ☐, or other dwelling ☐, which was used by partners, customers, employees, or members of their families? (Other than use by partners or employees while in business travel status.) ☐ YES ☒ NO
4 Attendance of members of partners' families or your employees' families at conventions or business meetings? ☐ YES ☒ NO

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Sign here _____ Signature of partner or member Date _____
Sign here LANIER, GUY, WALKER & CHATELAIN CINCINNATI, OHIO 45202 3/25/67
Signature of preparer other than partner or member Address Date

31-6060814

RESEARCH AND DEVELOPMENT COMPANY

100 E ASH ROAD

CINCINNATI, OHIO 45242

1966

EXPENSE DEDUCTIONS

Engineering Services (Research and Development Expense)

\$5,311.51

Professional Services

259.00

Miscellaneous

1.25

TOTAL

\$5,571.76

Use the first heading for depreciation under Revenue Procedures 62-21 and 65-13 and the second heading for other authorized practices.

SUMMARY OF DEPRECIATION

Schedule J—OTHER DEDUCTIONS. (See Instruction 25)**Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, AND DEDUCTIONS**Continuation of Schedule K[illegible]

E. I. NO. 31-6060814
 ECHO DEVELOPMENT COMPANY
 8901 BLUE ASH ROAD
 CINCINNATI, OHIO 45242
 YEAR 1966

SCHEDULE K AND SCHEDULE M

PARTNERS - NAMES AND ADDRESSES

	<u>ORDINARY LOSS</u>	<u>CAPITAL 1-1-66</u>	<u>ORDINARY LOSS</u>	<u>CAPITAL CONTRIBUTION</u>	<u>CAPITAL 12-31-66</u>
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio	(1,125.80)	(15,833.52)	(1,125.80)		(16,959.32)
Robert Boggild 8770 Indian Hill Road Cincinnati, Ohio	(562.89)	(7,916.76)	(562.89)		(8,479.65)
William Dale 197 Ireland Avenue Cincinnati, Ohio	(562.89)	(7,916.76)	(562.89)		(8,479.65)
Edwin H. Snow, Trustee Highland Towers Cincinnati, Ohio	(562.89)	13,408.24	(562.89)		12,845.35
Edward J. Noble Sierra Amatepec 173 Mexico, D. F., Mexico	(562.89)	7,083.24	(562.89)	6,304.22	12,824.57
L. S. Brucker, Jr., Trustee 3045 Erie Avenue Cincinnati, Ohio	(562.89)	7,083.24	(562.89)	6,325.00	12,845.35
Eugene W. Gilson 7 avenue de l'Ermitage Geneva, Switzerland	(562.89)	7,083.24	(562.89)	6,325.00	12,845.35
George L. Sterne 615-McAlpin-Avenue Cincinnati, Ohio					
TOTALS	<u>(1,125.80)</u>	<u>(15,833.52)</u>	<u>(1,125.80)</u>		<u>(16,959.32)</u>

12,845.35

Schedule L—BALANCE SHEETS

	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
ASSETS				
1 Cash		6,667.69		64.64
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Govt obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets	501.64		501.64	
(a) Less accumulated depreciation	33.44	468.20	83.60	418.04
9 Depreciable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)				
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)				
13 Total assets		7,135.89		482.68
LIABILITIES AND CAPITAL				
14 Accounts payable		19,978.49		
15 Mortgages, notes, and bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Mortgages, notes, and bonds payable in 1 year or more				
18 Other liabilities (attach schedule)				
19 Partners' capital accounts		(12,842.60)		482.68
20 Total liabilities and capital		7,135.89		482.68

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS

	1. Capital account at beginning of year	2. Capital contributed during year	3. Income not included in column 4 plus non-taxable income	4. Ordinary income (loss) from line 27, page 1	5. Losses not included in column 4, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							

SCHEDULE ATTACHED

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT. (See instruction for Schedule N)

1 Ordinary income increased by casualty losses (line 27 plus line 18, page 1)	
2 Add: Payments to partners—salaries and interest (line 14, page 1)	
3 Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4 Total	
5 Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6 Nonqualifying dividends (line 5, page 1)	
7 Interest (see instructions)	
8 Net rentals from real estate	
9 Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10 Net earnings from self-employment. Enter in column 11, Schedule K	

1035

U.S. Partnership Return of Income

FOR CALENDAR YEAR 1967 or other taxable year beginning

1967, and ending 19

1967

ECHO DEVELOPMENT COMPANY

Number and street

5240 WOOSTER ROAD

City or town and State

CINCINNATI, OHIO

ZIP code

45226

I am an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1967?

Yes ☒ No ☒

Is this business located within the boundaries of the city, town, etc., indicated above?

Yes ☒ No ☐Was this partnership in business at the end of 1967? ☐ Yes ☐ No: 1 How many months in 1967 was this partnership in business? 12

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instructions.

INCOME	1 Gross receipts or gross sales	Less: Returns and allowances	NONE
	2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		
	3 Gross profit		
	4 Income (loss) from other partnerships, syndicates, etc. (attach statement)		
	5 Nonqualifying dividends (attach list—see Instruction 5)		
	6 Interest		
	7 Rents (Schedule B)		
	8 Royalties (attach schedule)		
	9 Net farm profit (loss) (Schedule F, Form 1040)		
	10 Net gain (loss) from sale or exchange of property other than capital assets (line 16, Schedule D, Form 1065)		
	11 Other income (attach schedule)		
	12 TOTAL income (lines 3 through 11)		NONE
DEDUCTIONS	13 Salaries and wages (other than to partners)		
	14 Payments to partners—salaries and interest		
	15 Rent		
	16 Interest (Schedule J)		
	17 Taxes (Schedule J)		
	18 Losses by fire, storm, shipwreck, other casualty or theft (attach statement)		
	19 Bad debts (Schedule H if reserve method is used)		
	20 Repairs		
	21 Depreciation (Schedule I)		
	22 Amortization (attach schedule)		
	23 Depletion (attach schedule)		
	24 Retirement plans, etc. (other than for partners—see Instruction 24)		
25 Other deductions (Schedule J)			
26 TOTAL deductions (lines 13 through 25)			
27 Ordinary income (loss) (line 12 less line 26)		NONE	

Schedule A—COST OF GOODS SOLD

1 Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	
2 Purchases	
Less: Cost of items withdrawn for personal use	
3 Cost of labor	
4 Material and supplies	
5 Other costs (attach schedule)	
6 Total of lines 1 through 5	
7 Less: Inventory at end of year	
8 Cost of goods sold. Enter here and on line 2 above	
(Method of inventory valuation)	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Signature of partner or member

Date

LANIER, GUY, WALKER & CHATFIELD

CINCINNATI, OHIO 45202

Signature of preparer other than partner or member

Address

c90-10-70327-1

Date

4/6/68

Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

1. Name of partner, and social security number of each partner. (If partner is a trust, specify the trust. If partner is a partnership, specify the partnership. If partner is a corporation, specify the corporation. If partner is a foreign entity, specify the entity.) Where return of partner or partnership is filed in another Internal Revenue district or in an Internal Revenue service center, specify district or service center.		2. Percent- age of time devoted to business	3. COST OR BASIS OF INVESTMENT IN PROPERTY				
			(i) Life Years	(ii) Basis of new property	(iii) Cost of used property	Suspension of loss property	
						(iv) Included in col. (ii) & (iii)	(v) Amount in col. (iv) not to be exempt
(a)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(b)	(Schedule Attached)		4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(c)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(d)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(e)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
Totals							
4. Ordinary income (loss) (line 27, page 1)		5. Additional first-year depreciation		6. Payments to partners—salaries and interest (line 14, page 1)		7. Qualifying dividends (attach list)	
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							
9. Net long-term gain (loss) from sale or exchange of capital assets (line 13, Schedule D)		10. Net gain (loss) under section 1231 (line 6, Schedule D)		11. Net earnings from self-employment (line 10, Schedule N)		12. Contributions (see Sch. K instructions)	
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							
13. Expense account allowance (see Sch. K instructions)							
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							

See the instructions for other items required to be reported separately.

J Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories?
Yes ☐ No ☒ If "Yes," attach explanation.K Were you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1967? Yes ☐ No ☒

If "Yes," where were they filed? _____

L Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NOM Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NON Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NO

If "YES," see General Instruction P and enter appropriate amount here \$ _____

O Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)

- 1 A hunting lodge ☐ resort property ☐
 working ranch or farm ☐ pleasure boat or yacht ☐
 fishing camp ☐ or other similar facility ☐
 (Other than where operation of facility was the partnership's
 principal business.) ☐ YES ☒ NO

- 2 Vacations for partners or members of their families or em-
 ployees or members of their families? (Other than vacation
 pay reported on Form W-2.) ☐ YES ☒ NO

- 3 The leasing, renting, or ownership of a hotel room or suite ☐
 apartment ☐ or other dwelling ☐ which was used by partners,
 customers, employees, or members of their families? (Other
 than use by partners or employees while in business travel
 status.) ☐ YES ☒ NO

- 4 Attendance of members of partners' families or your employees'
 families at conventions or business meetings? ☐ YES ☒ NO

F. I. NO. 31-6060814
LEHO DEVELOPMENT COMPANY
5240 WOOSTER ROAD
CINCINNATI, OHIO 45226
YEAR 1967

SCHEDULE K AND SCHEDULE M

<u>PARTNERS - NAMES AND ADDRESSES</u>	<u>ORDINARY LOSS</u>	<u>CAPITAL 1/1/67</u>	<u>ORDINARY LOSS</u>	<u>CAPITAL 12/31/67</u>
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio 45208		\$(16,959.32)		\$(16,959.32)
Robert Boggild 8770 Indian Hill Road Cincinnati, Ohio 45243		(8,479.65)		(8,479.65)
William Dale 197 Ireland Avenue Cincinnati, Ohio 45218		(8,479.65)		(8,479.65)
Edwin H. Snow, Trustee Highland Towers Cincinnati, Ohio 45202		12,845.35		12,845.35
Edward J. Noble Sierra Amatepec 173 Mexico, D. F., Mexico		12,824.57		12,824.57
L. S. Brucker, Jr., Trustee 3045 Erie Avenue Cincinnati, Ohio 45208		12,845.35		12,845.35
Eugene W. Gilson 7 avenue de l'Ermitage Geneva, Switzerland		12,845.35		12,845.35
George L. Sterne 2680 Lehman Rd. Apt. #52 Cincinnati, Ohio 45204		(16,959.32)		(16,959.32)
<u>TOTALS</u>		<u>\$ 482.68</u>		<u>\$ 482.68</u>

Form 1065-1967

Page 4

Schedule L—BALANCE SHEETS

	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
ASSETS				
1 Cash		482.68		482.68
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Investments				
4 Debt obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)				
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)				
13 Total assets		482.68		482.68
LIABILITIES AND CAPITAL				
14 Accounts payable				
15 Mortgages, notes, and bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Mortgages, notes, and bonds payable in 1 year or more				
18 Other liabilities (attach schedule)				
19 Partners' capital accounts		482.68		482.68
20 Total liabilities and capital		482.68		482.68

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS

	1. Capital account at beginning of year	2. Capital contributed during year	3. Ordinary income (loss) from line 27, page 1	4. Income not included in column 3 plus non-taxable income	5. Losses not included in column 3, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a)							
(b)							
(c)			(Schedule Attached)				
(d)							
(e)							
Totals							

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT (See instruction for Schedule N)

1 Ordinary income increased by casualty losses (line 27 plus line 18, page 1)	
2 Add: Payments to partners—salaries and interest (line 14, page 1)	
3 Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4 Total	
5 Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6 Nonqualifying dividends (line 5, page 1)	
7 Interest (see instructions)	
8 Net rentals from real estate	
9 Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10 Net earnings from self-employment. Enter in column 11, Schedule K	

FORM 1065

U.S. Treasury Department
Internal Revenue Service

U.S. PARTNERSHIP RETURN OF INCOME

(To be filed also by syndicates, pools, joint ventures, etc.)

FOR CALENDAR YEAR 1965

1965

A. Taxable year beginning

or other taxable

year beginning 1965, and ending 19.....
(PLEASE TYPE OR PRINT PLAINLY)

MARCH 22, 1965

B. Locality in which located

Name

COURIER ENTERPRISES

C. Principal business activity
(See General Inst. K)

Number and street

8120 BLUE ASH ROAD

D. Principal product or service

City or town and State

CINCINNATI, OHIO

Postal ZIP code

45236

E. Employer identifica-
tion number

Applied for

IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction R.

See instruction No.

INCOME

1. Gross receipts or gross sales Less: Returns and allowances
 2. Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)
 3. Gross profit (line 1 less line 2)
 4. Income (or loss) from other partnerships, syndicates, etc. (attach statement)
 5. Nonqualifying dividends (attach itemized list—see Instruction 5)
 6. Interest 377.02
 7. Rents (Schedule B)
 8. Royalties (attach schedule)
 9. Net farm profit (or loss) (Schedule F, Form 1040)
 10. Net gain (or loss) from sale or exchange of property other than capital assets
 (from line 16, Separate Schedule D, Form 1065)
 11. Other income (attach schedule) 377.02
 12. Total income (lines 3 through 11) 377.02

DEDUCTIONS

13. Salaries and wages (other than to partners)
 14. Payments to partners—salaries and interest
 15. Rent
 16. Interest (explain in Schedule C)
 17. Taxes (explain in Schedule C)
 18. Losses by fire, storm, shipwreck, or other casualty or theft (attach statement)
 19. Bad debts (from Schedule H if reserve method is used)
 20. Repairs
 21. Depreciation (Schedule I)
 22. Amortization (attach schedule)
 23. Depletion of mines, oil and gas wells, timber, etc. (attach schedule)
 24. Retirement plans, etc. (other than for partners—see instructions)
 25. Other deductions authorized by law (explain in Schedule I) 20,054.13
 26. Total deductions (lines 13 through 25) 20,054.13
 27. Ordinary income (or loss) (line 12 less line 26) (19,677.11)

- F. Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NO
 G. Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NO
 H. Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NO

If "YES," see General Instruction P and enter appropriate amount here. \$.....
 I. Did you claim a deduction for expenses connected with: (If answer to any question is "YES," check applicable boxes within that question.)

1. A hunting lodge ☐ working ranch or farm ☐ fishing camp ☐
 resort property ☐ pleasure boat or yacht ☐ or other similar
 facility ☐? (Other than where operation of facility was the
 partnership's principal business.) ☐ YES ☒ NO
 2. Vacations for partners or members of their families or em-
 ployees or members of their families? (Other than vacation
 pay reported on Form W-2.) ☐ YES ☒ NO
 3. The leasing, renting, or ownership of a hotel room or suite, an
 apartment ☐ or other dwelling ☐ which was used by part-
 ners, customers, employees, or members of their families
 (Other than use by partners or employees while in business
 travel status.) ☐ YES ☒ NO
 4. Attendance of members of partners' families or em-
 ployees' families at conventions or business meetings ☐ YES ☒ NO

Under penalties of perjury, I declare that I have examined this return (including accompanying schedules and statements) and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Sign here

Signature of partner or member

Date

Sign here

LANIER, GUY, WALKER & CHATFIELD

CINCINNATI, OHIO 45202

MARCH 24, 1966

Signature of preparer other than partner or member

Address

Date

COURIER ENTERPRISES

8120 BLUE ASH ROAD, CINCINNATI, OHIO

YEAR 1965

OTHER DEDUCTIONS:

Engineering Services	\$19,636.00
(Research & Development Expense)	
Material and Supplies	376.54
Miscellaneous Expenses	<u>41.59</u>
	<u>\$20,054.13</u>

Election Under Section 174 I.R.C.

Courier Enterprises hereby elects to expense in the current taxable year -- its first taxable year -- research and development expenses pursuant to Section 174(a).

COURIER ENTERPRISES

8120 BLUE ASH ROAD, CINCINNATI, OHIO

YEAR 1965

SCHEDULE K AND SCHEDULE M

PARTNER'S NAME AND ADDRESS

	<u>ORDINARY LOSS</u>	<u>CAPITAL 3-22-65</u>	<u>ORDINARY LOSS</u>	<u>CAPITAL 12-31-65</u>
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio	\$(7,870.85)	- 0 -	\$(7,870.85)	(7,870.85)
Robert Boggild 8770 Indian Hill Road Cincinnati, Ohio	(1,967.71)	- 0 -	(1,967.71)	(1,967.71)
William Dale 197 Ireland Avenue Cincinnati, Ohio	(1,967.71)	- 0 -	(1,967.71)	(1,967.71)
Edwin A. Snow, Trustee Highland Towers, Cincinnati, Ohio	(1,967.71)	5,000.00	(1,967.71)	3,032.29
Edward J. Noble Sierra Amatepec 173 Mexico, D. F., Mexico	(1,967.71)	5,000.00	(1,967.71)	3,032.29
L. S. Brucker, Jr., Trustee 3045 Erie Avenue, Cincinnati, Ohio	(1,967.71)	5,000.00	(1,967.71)	3,032.29
Eugene W. Gilson 7 avenue de l'Ermitage Geneva, Switzerland	(1,967.71)	5,000.00	(1,967.71)	3,032.29
<u>TOTAL</u>	(19,677.11)	20,000.00	(19,677.11)	322.89

ASSETS	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
1. Cash		20,000.00		322.89
2. Notes and accounts receivable				
(a) Less: Reserve for bad debts				
3. Inventories				
4. Investments in Government obligations				
5. Other current assets (attach schedule)				
6. Other investments (attach schedule)				
7. Buildings and other fixed depreciable assets				
(a) Less: Accumulated amortization and depreciation				
8. Depletable assets				
(a) Less: Accumulated depletion				
9. Land (net of any amortization)				
10. Intangible assets (amortizable only)				
(a) Less: Accumulated amortization				
11. Other assets (attach schedule)				
12. Total assets		20,000.00		322.89
LIABILITIES AND CAPITAL				
13. Accounts payable				
14. Mortgages, notes, and bonds payable in less than 1 year ..				
15. Other current liabilities (attach schedule)				
16. Mortgages, notes, and bonds payable in 1 year or more ..				
17. Other liabilities (attach schedule)				
18. Partners' capital accounts		20,000.00		322.89
19. Total liabilities and capital		20,000.00		322.89

Schedule M.—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS

	1. Capital account at beginning of year	2. Capital contributed during year	3. Income not included in column 4 plus non-taxable income	4. Ordinary income (or loss) from line 27, page 1	5. Losses not included in column 4 plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a) ...		(Schedule A attached)					
(b) ...							
(c) ...							
(d) ...							
(e) ...							
Totals							

Schedule N.—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT. (See instruction for Schedule N.)

1. Ordinary income increased by casualty losses (line 27 plus line 18, page 1). Include income from the performance of services as a doctor of medicine	
2. Add: Payments to partners—salaries and interest (line 14, page 1)	
3. Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4. Total	
5. Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6. Nonqualifying dividends (from line 5, page 1)	
7. Interest (see instructions)	
8. Net rentals from real estate	
9. Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10. Net earnings from self-employment. (Enter in column 11, Schedule K)	

1035

U.S. Partnership Return of Income

(To be filed also by syndicates, pools, joint ventures, etc.)

FOR CALENDAR YEAR 1966 or other taxable year beginning

1966

1966, and ending 1966
(PLEASE TYPE OR PRINT)

Name

COURIER ENTERPRISES

Number and street

8901 BLUE ASH ROAD

City or town and State

CINCINNATI, OHIO 45242

ZIP code

D. Employer's name

31-6061135

E. County in which located

Hamilton

INSTRUCTIONS: A. Applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction K.

INCOME	1	Gross receipts or gross sales	Less: Returns and allowances	
	2	Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		
	3	Gross profit		
	4	Income (loss) from other partnerships, syndicates, etc. (attach statement)		
	5	Nonqualifying dividends (attach list—see Instruction 5)		
	6	Interest		
	7	Rents (Schedule B)		
	8	Royalties (attach schedule)		
	9	Net farm profit (loss) (Schedule F, Form 1040)		
	10	Net gain (loss) from sale or exchange of property other than capital assets (line 16, Schedule D, Form 1065)		
	11	Other income (attach schedule)		
	12	TOTAL income (lines 3 through 11)		
DEDUCTIONS	13	Salaries and wages (other than to partners)		
	14	Payments to partners—salaries and interest		
	15	Rent		
	16	Interest (Schedule C)		
	17	Taxes (Schedule C)		
	18	Losses by fire, storm, shipwreck, other casualty or theft (attach statement)		
	19	Bad debts (Schedule H if reserve method is used)		
	20	Repairs		
	21	Depreciation (Schedule I)		
	22	Amortization (attach schedule)		
	23	Depletion (attach schedule)		
	24	Retirement plans, etc. (other than for partners—see instructions)		
	25	Other deductions (Schedule J)		
	26	TOTAL deductions (lines 13 through 25)		
	27	Ordinary income (loss) (line 12 less line 26)		
	Miscellaneous			15.44
			15.44	
			(15.44)	

Client No. _____
 Prepared by _____
 Copies to be filed _____
 Transmitted by J.B. (7)
 Received by _____
 Approved by _____
 Date 3/27/67

- F. Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NO
 G. Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NO
 H. Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NO

If "YES," see General Instruction P and enter appropriate amount here \$ _____

- I. Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)
- | | |
|--|---|
| 1 A hunting lodge <input type="checkbox"/> , working ranch or farm <input type="checkbox"/> , fishing camp <input type="checkbox"/> , resort property <input type="checkbox"/> , pleasure boat or yacht <input type="checkbox"/> , or other similar facility <input type="checkbox"/> ? (Other than where operation of facility was the partnership's principal business.) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | 3 The leasing, renting, or ownership of a hotel room or suite <input type="checkbox"/> , apartment <input type="checkbox"/> , or other dwelling <input type="checkbox"/> , which was used by partners, customers, employees, or members of their families? (Other than use by partners or employees while in business travel status.) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |
| 2 Vacations for partners or members of their families or employees or members of their families? (Other than vacation pay reported on Form W-2.) <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO | 4 Attendance of members of partners' families or your employees' families at conventions or business meetings? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO |

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Sign here _____ Signature of partner or member Date _____
 Sign here LANIER, GUY, WALKER & CHATFIELD CINCINNATI, OHIO 45202 3/27/67
 Signature of preparer other than partner or member Address Date

This form is designed for taxpayers using the alternative guidelines and administrative procedures described in Revenue Procedures 62-21 and 65-13, as well as for those taxpayers who wish to continue using practices authorized prior to these revenue procedures. Where double headings appear, the first heading is for depreciation under Revenue Procedures 62-21 and 65-13 and the second heading is for other authorized practices.

SUMMARY OF DEPRECIATION

Schedule J—OTHER DEDUCTIONS. (See Instruction 25)Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, AND DEDUCTIONSContinuation of Schedule K

A. Payments to partners—salaries and interest (line 14, page 1)		7. Qualifying dividends (attach list)	8. Net short-term gain (loss) from sale or exchange of capital assets (line 9, Schedule D)	9. Net long-term gain (loss) from sale or exchange of capital assets (line 13, Schedule D)	10. Net gain (loss) under section 1231 (line 6, Schedule D)	11. Net earnings from self-employment (line 16, Schedule N)	12. Expense account allowance (see instructions)
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							

P.L. NO. 31-6061135
 ENTERPRISES
 1000 ASH ROAD, CINCINNATI, OHIO 45242

SCHEDULE K AND SCHEDULE M

PARTNERS - NAMES AND ADDRESSES

	<u>ORDINARY LOSS</u>	<u>CAPITAL 3-22-66</u>	<u>ORDINARY LOSS</u>	<u>CAPITAL 12-31-66</u>
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio	(9.28)	(11,806.27)	(9.28)	(11,815.55)
Edwin A. Snow, Trustee Highland Towers Cincinnati, Ohio	(1.54)	3,032.29	(1.54)	3,030.75
Edward J. Noble Sierra Amatepec 173 Mexico, D.F., Mexico	(1.54)	3,032.29	(1.54)	3,030.75
L. S. Brucker, Jr., Trustee 3045 Erie Avenue Cincinnati, Ohio	(1.54)	3,032.29	(1.54)	3,030.75
Eugene W. Gilson 7 Avenue De L'Ermitage Geneva, Switzerland	(1.54)	3,032.29	(1.54)	3,030.75
<u>TOTALS</u>	<u>\$(15.44)</u>	<u>\$322.89</u>	<u>\$(15.44)</u>	<u>\$307.45</u>

Schedule L—BALANCE SHEETS

	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
ASSETS				
1 Cash		322.89		307.45
2 Trade notes and accounts receivable				
Less allowance for bad debts				
3 Receivables				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)				
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)				
13 Total assets		322.89		307.45
LIABILITIES AND CAPITAL				
14 Accounts payable				
15 Mortgages, notes, and bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Mortgages, notes, and bonds payable in 1 year or more				
18 Other liabilities (attach schedule)				
19 Partners' capital accounts		322.89		307.45
20 Total liabilities and capital		322.89		307.45

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS

	1. Capital account at beginning of year	2. Capital contributed during year	3. Income not included in column 4 plus non-taxable income	4. Ordinary income (loss) from line 27, page 1	5. Losses not included in column 4, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							

SCHEDULE ATTACHED

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT. (See instruction for Schedule N)

1 Ordinary income increased by casualty losses (line 27 plus line 18, page 1)	
2 Add: Payments to partners—salaries and interest (line 14, page 1)	
3 Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4 Total	
5 Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment.	
6 Nonqualifying dividends (line 5, page 1)	
7 Interest (see instructions)	
8 Net rentals from real estate	
9 Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10 Net earnings from self-employment. Enter in column 11, Schedule K	

1965

U.S. Partnership Return of Income

FOR CALENDAR YEAR 1967 or other taxable year beginning

1967

1967, and ending 19

11-6061135

COURIER ENTERPRISES

HAMILTON

5240 WOOSTER ROAD

March 22, 1965

CINCINNATI, OHIO

ZIP code
45226D Print only if required
(See General Instructions)E Principal product or
service

- F Was an Employer's Quarterly Federal Tax Return, Form 941, filed for this business for any quarter in 1967? ☐ Yes ☒ No
- G Is this business located within the boundaries of the city, town, etc., indicated above? ☒ Yes ☐ No
- H Was this partnership in business at the end of 1967? ☐ Yes ☐ No: I How many months in 1967 was this partnership in business? 12
- IMPORTANT—All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see Instruction K.

INCOME	1	Gross receipts or gross sales	Less: Returns and allowances	NONE
	2	Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		
	3	Gross profit		
	4	Income (loss) from other partnerships, syndicates, etc. (attach statement)		
	5	Nonqualifying dividends (attach list—see Instruction 5)		
	6	Interest		
	7	Rents (Schedule B)		
	8	Royalties (attach schedule)		
	9	Net farm profit (loss) (Schedule F, Form 1040)		
	10	Net gain (loss) from sale or exchange of property other than capital assets (line 16, Schedule D, Form 1065)		
11	Other income (attach schedule)			
12	TOTAL income (lines 3 through 11)			NONE
DEDUCTIONS	13	Salaries and wages (other than to partners)		
	14	Payments to partners—salaries and interest		
	15	Rent		
	16	Interest (Schedule J)		
	17	Taxes (Schedule J)		
	18	Losses by fire, storm, shipwreck, other casualty or theft (attach statement)		
	19	Bad debts (Schedule H if reserve method is used)		
	20	Repairs		
	21	Depreciation (Schedule I)		
	22	Amortization (attach schedule)		
	23	Depletion (attach schedule)		
	24	Retirement plans, etc. (other than for partners—see Instruction 24)		
	25	Other deductions (Schedule J)		
	26	TOTAL deductions (lines 13 through 25)		
	27	Ordinary income (loss) (line 12 less line 26)		

Schedule A—COST OF GOODS SOLD

1	Inventory at beginning of year (if different from last year's closing inventory, attach explanation)	
2	Purchases	
	Less: Cost of items withdrawn for personal use	
3	Cost of labor	
4	Material and supplies	
5	Other costs (attach schedule)	
6	Total of lines 1 through 5	
7	Less: Inventory at end of year	
8	Cost of goods sold. Enter here and on line 2 above (Method of inventory valuation)	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

Signature of partner or member

Date

LANIER, GUY, WALKER & CHATFIELD

CINCINNATI, OHIO 45202

4/6/68

Signature of preparer other than partner or member

Address

c20-10-79327-1

Date

Schedule K—PARTNERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

1. Give name, address, and social security number of each partner. (Include partners' names, if any.) Where return of partner or member is filed in another Internal Revenue district or in an Internal Revenue service center, specify district or service center.		2. Percent- age of time devoted to business	3. COST OR BASIS OF INVESTMENT IN PROPERTY				
			(i) Life Years	(ii) Basis of new property	(iii) Cost of used property	Suspension period property	
						(iv) Included in col. (ii) & (iii)	(v) Amount in col. (iv) selected to be exempt
(a)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(b)	(Schedule Attached)		4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(c)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(d)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
(e)			4 or more but less than 6				
			6 or more but less than 8				
			8 or more				
Totals							

	4. Ordinary Income (loss) (line 27, page 1)	5. Additional first-year depreciation	6. Payments to partners—salaries and interest (line 14, page 1)	7. Qualifying dividends (attach list)	8. Net short-term gain (loss) from sale or exchange of capital as- sets (line 9, Schedule D)
(a)					
(b)					
(c)					
(d)					
(e)					
Totals					

	9. Net long-term gain (loss) from sale or exchange of capital assets (line 13, Schedule D)	10. Net gain (loss) under section 1231 (line 6, Schedule D)	11. Net earnings from self-employment (line 10, Schedule M)	12. Contributions (see Sch. K Instructions)	13. Expense account allowance (see Sch. K Instructions)
(a)					
(b)					
(c)					
(d)					
(e)					
Totals					

NOTE: See the instructions for other items required to be reported separately.

J Was there any substantial change in the manner of determining quantities, costs or valuations between the opening and closing inventories?

Yes ☐ No ☒ If "Yes," attach explanation.K Were you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1967? Yes ☐ No ☒

If "Yes," where were they filed?

L Is any member of the partnership related by blood or marriage to any other member? ☐ YES ☒ NOM Is any member of the partnership a trust for the benefit of any person related by blood or marriage to any other member? ☐ YES ☒ NON Did the partnership, during the taxable year, have any contracts or subcontracts subject to the Renegotiation Act? ☐ YES ☒ NO

If "YES," see General Instruction P and enter appropriate amount here: \$

O Did you claim a deduction for expenses connected with: (If answer to any question is "Yes," check applicable boxes within that question.)

- 1 A hunting lodge ☐ resort property ☐
 working ranch or farm ☐ pleasure boat or yacht ☐
 fishing camp ☐ or other similar facility ☐

(Other than where operation of facility was the partnership's principal business.) ☐ YES ☒ NO

- 2 Vacations for partners or members of their families or employees or members of their families? (Other than vacation pay reported on Form W-2.) ☐ YES ☒ NO

- 3 The leasing, renting, or ownership of a hotel room or suite ☐ apartment ☐ or other dwelling ☐ which was used by partners, customers, employees, or members of their families? (Other than use by partners or employees while in business travel status.) ☐ YES ☒ NO

- 4 Attendance of members of partners' families or your employees' families at conventions or business meetings? ☐ YES ☒ NO

LA. J. NO. 31-6061135
ENTERPRISES
1000 ROOSTER ROAD
CINCINNATI, OHIO 45226
YEAR 1967

SCHEDULE K AND SCHEDULE M

PARTNERS - NAMES AND ADDRESSES

	<u>ORDINARY LOSS</u>	<u>CAPITAL 1/1/67</u>	<u>ORDINARY LOSS</u>	<u>CAPITAL 12/31/67</u>
David H. Trott 3351 Stettinius Avenue Cincinnati, Ohio 45208		\$(11,815.55)		\$(11,815.55)
Edwin A. Snow, Trustee Highland Towers Cincinnati, Ohio 45202		3,030.75		3,030.75
Edward J. Noble Sierra Amatepec 173 Mexico, D. F., Mexico		3,030.75		3,030.75
L. S. Brucker, Jr., Trustee 3045 Erie Avenue Cincinnati, Ohio 45208		3,030.75		3,030.75
Eugene W. Gillson 7 avenue de l'Ermitage Geneva, Switzerland		3,030.75		3,030.75
<u>TOTALS</u>		<u>\$ 307.45</u>		<u>\$ 307.45</u>

Schedule L—BALANCE SHEETS

	Beginning of taxable year		End of taxable year	
	Amount	Total	Amount	Total
ASSETS				
1 Cash		307.45		307.45
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Gov't obligations: (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Mortgage and real estate loans				
7 Other investments (attach schedule)				
8 Buildings and other fixed depreciable assets				
(a) Less accumulated depreciation				
9 Depletable assets				
(a) Less accumulated depletion				
10 Land (net of any amortization)				
11 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
12 Other assets (attach schedule)				
13 Total assets		307.45		307.45
LIABILITIES AND CAPITAL				
14 Accounts payable				
15 Mortgages, notes, and bonds payable in less than 1 year				
16 Other current liabilities (attach schedule)				
17 Mortgages, notes, and bonds payable in 1 year or more				
18 Other liabilities (attach schedule)				
19 Partners' capital accounts		307.45		307.45
20 Total liabilities and capital		307.45		307.45

Schedule M—RECONCILIATION OF PARTNERS' CAPITAL ACCOUNTS

	1. Capital account at beginning of year	2. Capital contributed during year	3. Ordinary income (loss) from line 27, page 1	4. Income not included in column 3 plus non-taxable income	5. Losses not included in column 3, plus unallowable deductions	6. Withdrawals and distributions	7. Capital account at end of year
(a)							
(b)							
(c)							
(d)							
(e)							
Totals							

(Schedule Attached)

Schedule N—COMPUTATION OF NET EARNINGS FROM SELF-EMPLOYMENT (See instruction for Schedule N)

1 Ordinary income increased by casualty losses (line 27 plus line 18, page 1)	
2 Add: Payments to partners—salaries and interest (line 14, page 1)	
3 Net loss from sale or exchange of property other than capital assets (line 10, page 1)	
4 Total	
5 Less: Portion of line 4, page 1, which does not constitute net earnings from self-employment	
6 Nonqualifying dividends (line 5, page 1)	
7 Interest (see instructions)	
8 Net rentals from real estate	
9 Net gain from sale or exchange of property other than capital assets (line 10, page 1)	
10 Net earnings from self-employment. Enter in column 11, Schedule K	

March 3, 1970

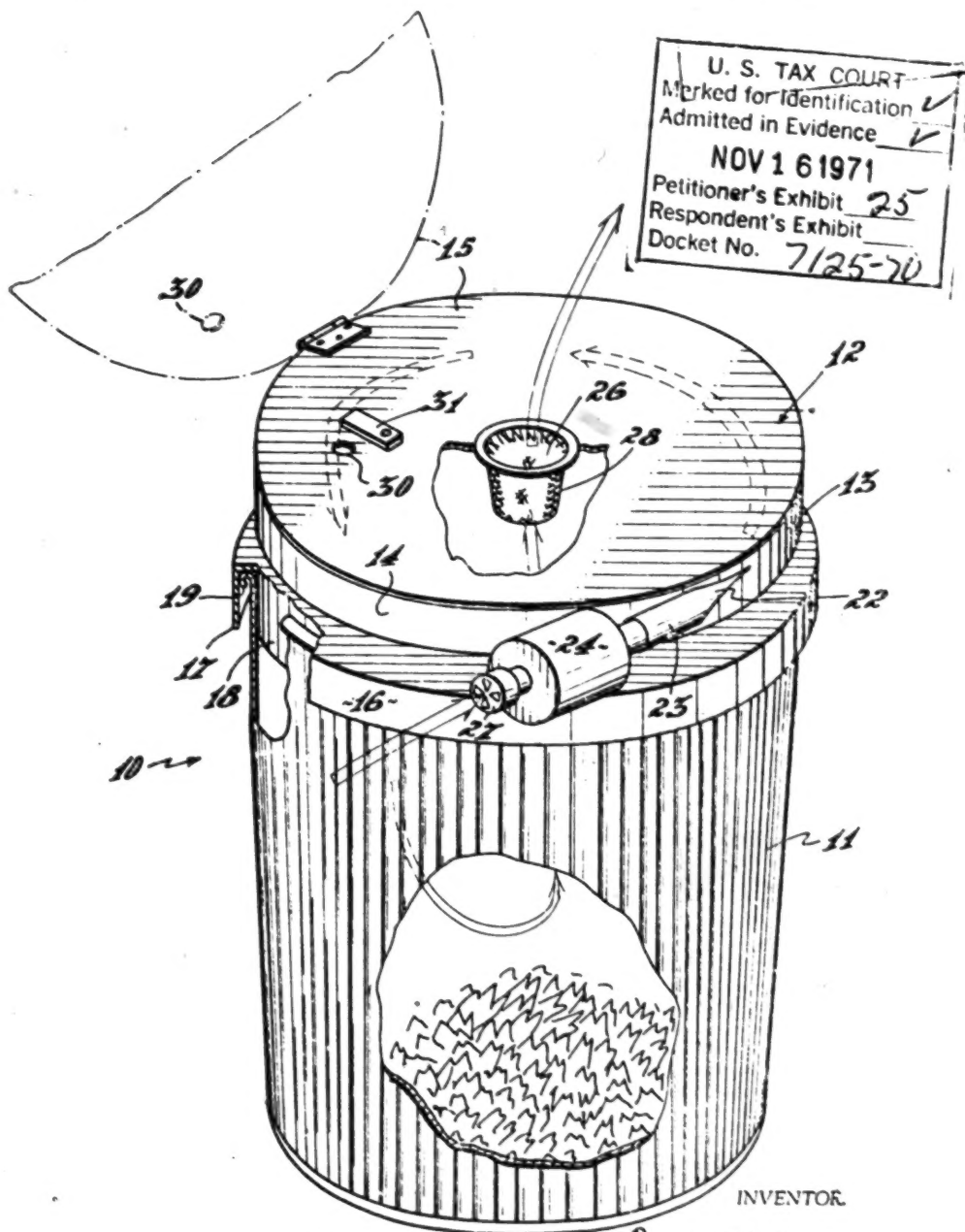
D. H. TROTT

LEAF BURNER

Filed June 10, 1968

3,498,240

NOV 15 1961



1

3,498,240

LEAF BURNER

David H. Trott, Cincinnati, Ohio, assignors, by mesne assignments, to Burns Investment Corp., Cincinnati, Ohio, a corporation of Ohio

Filed June 10, 1968, Ser. No. 735,839

Int. Cl. F23g 5/00; F23b 1/38

U.S. Cl. 110—18

12 Claims

ABSTRACT OF THE DISCLOSURE

A method of burning combustible material utilizing a container which, during the burning process, is closed except for two openings at the top, one being an inlet for forced air which is introduced to support and hasten combustion, and the other being an outlet for combusted gases.

A lid having means adapting it to be mounted on a trash can and having a blower for driving air into the trash can and having an outlet hole through which combusted gases can pass, the lid forming, with a trash can, a burner for combustibles.

This invention relates to a burner for the purpose of disposing of combustible wastes, such as rubbish, trash and tree leaves and to a method of burning such combustibles in a substantially closed container.

Many homeowners do not have any access whatever to trash pickup service. Many more do not have adequate trash can capacity to accommodate all the trash they accumulate between pickups. This explains why a great many such homeowners follow the practice of regular burning of waste materials all year round. The enabling facilities available to such homeowners are unsophisticated, however, and do little to minimize this chore.

In addition to normal trash generated by daily living, most homeowners face a seasonal problem every fall in disposing of fallen tree leaves. In some communities the loose burning of leaves is not permitted and the homeowners must rake his leaves to the street and at regular intervals these leaves are picked up by the city. This is reasonably satisfactory, although the removal of the leaves is an expense to the city, and, where leaves are not picked up contemporaneously with the raking of them onto the street, the wind may very well simply distribute the leaves piled on the street to the yards of the adjoining properties.

In other communities the leaves are burned in the street or yard by the homeowner. Such open burning presents fire hazards, and the clouds of smoke generated by the leaf burning certainly are not compatible with the air pollution problem which plague so many communities.

In some locations neither is possible, that is, the city will not pick up the leaves and the homeowner has no convenient place for burning them. In such a situation, the disposal of the leaves is at best inconvenient and/or expensive.

An objective of the present invention has been to effect the disposal of combustible waste as follows:

A container, or burning chamber, is filled with waste material. The top layer of said material then is ignited. As soon as a self-sustaining flame is achieved, the chamber is closed and forced air is fed into the inlet port located on the upper side of the chamber. The forced air may be generated by a blower attached to the device, or taken from another source. The combustion process is accelerated greatly by said air and, as it proceeds, consumption of the uppermost material continually exposes the adjacent underlying material to the flames. As a result, the fire bed progresses gradually downward in the burning chamber, until all combustible material has been

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burned. Combusted gases escape through the exhaust chamber. The egress preferably is covered by a foraminous screen or basket which serves as a strainer to aid in retaining flaming materials. From time to time, in the latter stages of the burning, completion of the process may be expedited by inserting a rod into the chamber, through a small porthole in the top provided for this purpose, and used to agitate the remaining contents.

An objective of the present invention has been to provide a means of burning leaves or other waste which is both speedy and safe, with a minimum of hazard from flying embers. Open burning is unsatisfactory in this respect, and those incinerators consisting basically of a perforated container are extremely slow. The present invention, being closed except for a relatively small exhaust port, permits the escape of little or no burning material. The use of forced air, however, greatly speeds up the burning process. Furthermore, this air is introduced in such a way to utilize the well-known principles underlying the cyclone furnace, taking advantage of centrifugal force to restrain still solid materials from reaching the exhaust port.

Another objective of the present invention has been to make the burning of leaves and waste material as smoke-free as possible. This is accomplished by the novel concept of burning from the top down, rather than from the bottom up, which is the normal procedure.

Another objective of the present invention has been to provide the average homeowner with a means of burning leaves and other waste which is not only speedy and efficient, but also inexpensive and compact. These objectives, too, are served by the novel principle of burning from the top down. All of the special physical features of the invention are concentrated in the top portion of the device, with the balance of the hardware serving simply as a chamber to contain the material while it is being consumed. Thus, it is possible to manufacture this top portion only, in the form of a special lid or cap, which the homeowner simply places on a standard 20-gallon trash can when he wishes to burn waste material. Since such a unit can be about the size of a drum or hat box, storage would present no problem.

With respect to said special lid, another objective of the invention has been to provide a satisfactory operational fit between lid and can during operation. This is accomplished by flanges depending from the lid which present an annular groove which receives the upper edge of the trash can.

Another objective of the invention has been to regulate the flow of air so that a reduced flow of air can be employed initially in order to accelerate the combustion of the products within the trash can without blowing out the flame. After combustion is widespread within the can, the flow of air is turned to maximum to effect the rapid burning of the combustibles. Said regulator also may be employed to reduce the vigor of the combustion during manual agitation of the burning material.

It has been another objective of the invention to provide the lid with a small opening through which a rod can pass to agitate the contents within the trash burner when desirable.

It has been another objective of the invention to provide a hinged cap which permits the trash burner to be loaded for burning without requiring the removal of the lid.

These and other objectives of the present invention will become more readily apparent from the following detailed description taken in conjunction with the accompanying drawing which is a perspective view partly in section showing the invention.

Referring to the drawing, the trash burner indicated at 10 includes a 20-gallon trash can 11 and a lid 12 formed

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in accordance with the present invention. It should be understood, of course, that there is no requirement that the lid 12 of the invention be associated specifically with a 20-gallon trash can. That size is preferred because of the extensive use of that size of can throughout the United States. Said lid could be designed to fit a larger trash can, or some other container such as an oil drum.

The lid has a pillbox-shaped housing 13 at its upper portion, the pillbox shape being formed by a cylindrical ring 14 and a cap 15 which is hinged to the ring 14. The cap can be rigidly fixed to the ring 14 with the can 11 being loaded by removal of the entire lid.

The lower edge of the ring 14 is welded to a skirt 16 formed by two spaced depending flanges 17 and 18 which form between them an annular groove having an inside diameter of 16.5 inches and an outside diameter of 19.5 inches into which the upper rim 19 of the trash can (having a diameter of approximately 17.5 inches) projects to seat the lid on the trash can.

The ring 14 has an inlet opening 22 to which a tangentially directed tube 23 is secured. A blower 24 is mounted on the tube 23 to direct air into the trash burner. At the low pressure or inlet side of the blower, a regulator 27, for varying the size of the inlet opening, is rotatably applied so as to permit the regulation of the air discharged into the trash burner.

Alternatively, and not shown, the inlet tube 23 can be connected to a standard vacuum cleaner hose which is connected to the high pressure end of a vacuum cleaner. Through this adaptation of the invention, the homeowner can be offered the invention in a form which would minimize his investment by eliminating the need for a blower.

The cap 15 has a central exhaust opening 26 which is about one-fifth the diameter of the lid itself. A foraminous strainer 28, which can be removable or fixed to the cap, is inserted in the opening 26 and prevents the exit of large pieces of burning material. The strainer should be of stainless steel or another material which is resistant to high heat.

A small hole 30 which is coverable by a pivoted flap 31 is formed in the cap 15 near the outer edge. The hole 30 is adapted to receive an elongated stirring implement as, for example, a piece of rod or the like with which the contents within the trash burner can be stirred. This stirring action is useful in the later stages of combustion wherein the remaining combustible material may tend to compact itself and thus slow completion of the burning process.

The operation of the invention is as follows:

Leaves or other trash are placed in the can 11 when the lid 12 is removed or, alternatively, when the lid 12 is in position and its cap 15 is pivoted to open position as shown in broken line in the figure. With the cap raised, the combustibles are ignited and then the cap is closed.

Once the combustibles are ignited, the blower is energized and preferably has its intake partly blocked by the regulator 27. The gentle breeze from the blower fans the flame until it spreads throughout the top of the combustibles, this requiring a very few seconds of time. Thereafter, the inlet to the blower is opened fully and the blast of air introduced tangentially swirls around the top of the combustibles to effect their rapid burning. The combusting gases exhaust through the strainer in a substantially completely oxidized state. That is to say, there is practically no smoke or particulate material which passes through the strainer 28 during the operation. Hence, the burning is quite clean and should not be offensive to one's neighbors.

As burning progresses and the top two-thirds of the combustibles are burned away, the operator might find it advantageous to open the flap 31 and to stick a rod through the opening 30 to stir the combustibles remaining in the bottom of the trash can to speed their burning. The burning follows generally the path of the arrows

4

shown in the drawing wherein the air flows tangentially around the top of the cap and then down into the combustibles and upwardly out through the discharge opening or exhaust opening 26.

Burning of large quantities of leaves or other material may be expedited by the use of more than one trash can. Leaves are gathered and packed in one trash can, the lid of the present invention applied, and the leaves are ignited. As the leaves in this trash can are being burned, another trash can can be filled. Then, after combustion in the first can is completed, the lid can be transferred to the other filled can and the burning process repeated.

In the alternative embodiment of the invention as a complete unit, a clean-out port could be provided at the bottom to facilitate periodic ash removal (not shown).

The invention also could be fitted with an integral agitation apparatus, installed internally but operated by external means (not shown).

What is claimed is:

1. A burner comprising:

a housing, said housing being generally cylindrical, said housing having a normally closed top and having an inlet opening and an exhaust opening, said housing being open at the bottom,

said inlet being located at the top of the side wall of said housing, and directed tangentially into it, said exhaust opening being located in the center of the top of said housing,

means for connecting a source of forced air to said inlet opening,

means for mounting said housing on top of an underlying chamber to close same.

2. A burner according to claim 1 further comprising an underlying combustion chamber, said housing fixed to said chamber, said chamber being cylindrical in form in its upper portion, said chamber being open at the top, said chamber being normally closed at the bottom.

3. A burner according to claim 1 wherein said mounting means comprises a pair of spaced concentric circular flanges depending from said housing and forming between them an annular groove to removably receive the top of an underlying container.

4. A burner according to claim 3 in which said groove has an inside diameter of approximately 16.5 inches and an outside diameter of approximately 19.5 inches.

5. A burner according to claim 1 further comprising a foraminous strainer covering said exhaust outlet.

6. A burner according to claim 1 in which said top is hinged at one edge to said housing, permitting said top to be raised to provide access to the underlying burner chamber for the purpose of filling it with combustible material.

7. A burner according to claim 1 in which said housing includes a stirring opening spaced from said exhaust and inlet openings, said opening having a covering flap fastened to said housing and adapted selectively to overlie said stirring opening.

8. A burner according to claim 1 further comprising a blower mounted on said housing and connected to said housing inlet, said blower thus being a component of said housing, and constituting the source of said forced air.

9. A burner according to claim 8, further comprising a regulator governing the supply of air to said blower to regulate the rate of supply of said forced air to said housing.

10. A burner cap comprising:

a circular ring having an inlet opening therein,

a circular plate secured to the upper edge of said ring,

a pair of depending concentric spaced flanges secured to the lower edge of said ring and forming an annular groove adapted to receive the top of a trash can,

said lid having an exhaust opening in the center thereof, and

a foraminous strainer in said exhaust opening.

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11. A burner comprising:

a container open at the top and defining a combustion chamber for burning combustibles,

a housing,

means removably mounting said housing on the top of said container to close the same,

said housing having an air inlet opening exiting directly into the upper end of said container when said housing is mounted on said container, and having an exhaust opening, and

means for connecting a blower to said inlet opening, whereby forced air is introduced to the top layer of said combustibles to burn the combustibles progressively from the top down.

12. The method of burning combustibles comprising the steps of depositing a batch of said material in a generally cylindrical chamber, igniting the top layer of said material, closing said chamber except for inlet and exhaust openings located at the top of said chamber,

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introducing forced air tangentially only to the top layer of said material, thus establishing a circular pattern of air movement within the chamber, progressively burning the combustible material from the top downward, permitting escapement of combusted gases centrally and above said material.

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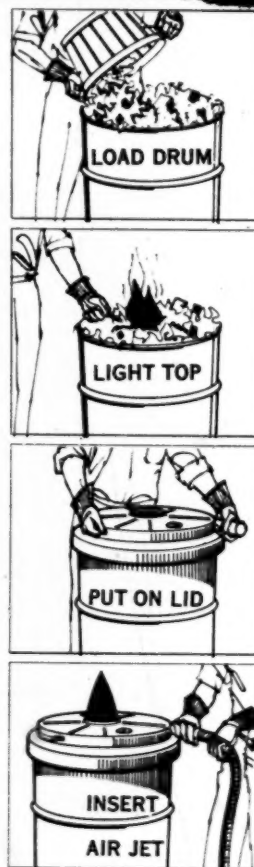
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KENNETH W. SPRAGUE, Primary Examiner

NEW INVENTION CONQUERS TRASH!



PORTABLE DISPOSAL SYSTEM MAKES MOLEHILLS OUT OF MOUNTAINS

READ WHAT YOU CAN DO WITH TRASH-AWAY

Dispose of your trash the instant it's born—never again have a trash pile-up.

Cut to a fraction the space taken up by your trash receptacles.

Eliminate trash odor, insect and rodent problems.

Slash your trash collection bills.

Dispose of tree leaves, hedge clippings, etc. right on your premises.

Reduce air pollution from open burning by more than 60%.

Burn safely, cleanly—no scorched earth, no cinders scattered about.

TRASH-AWAY EXCLUSIVES

TRASH-AWAY is the only power operated incinerator which is fully portable.

Only one to use stock design drum (55 gal) as the burning chamber, thus making high efficiency incineration available at amazing low cost. Burns trash at speeds comparable to custom installations costing 10-20 times as much.

Only one to burn from top down in a closed chamber. Fire is always on top of the trash, never smothered underneath. Results: complete combustion, little or no smoke.

Only one with two stage spark arrestor. Traps, breaks up and burns solid materials not once but twice, no live sparks, no fly ash problem.

All this on wheels! TRASH-AWAY's cart suspends drum above ground, rolls it away when burning's done. No scarred earth. No cinder pile. No backyard eyesore.

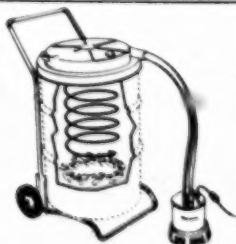


EATS UP LEAVES! BANISHES TRASH!

Unbelievable! Fill drum with trash and garbage . . . or leaves. Light the top with a match. Put on the TRASH-AWAY lid. Hook up the Air Jet and flick the switch. Presto! Drum is transformed into a powerful incinerator. Eats up waste like cotton candy. In 15 minutes it's empty and ready for another load.

And we mean empty. The fire burns clear to the bottom of the drum. There's no pile of half burned material left — no smoldering cake. Users tell us they go months without having to empty TRASH-AWAY.

What's the secret? A high speed stream of air from the electric Air Jet fans the fire in the drum to white heat — same as a bellows. Burns things you wouldn't dream of burning before — like old shoes and aluminum cans! And the hot fire means complete combustion—the enemy of dirty air. Actual tests show TRASH-AWAY cuts air pollution by more than 60%.



Cut-away view of air action inside drum

TRASH-AWAY really works. It can burn 60 pounds of trash in an hour — a pound every minute! That's as fast as many large industrial incinerators — custom installations that cost \$2,000 and more. The unique design of the Lid makes air from the Jet whirl like a cyclone, fanning the fire to 1500° and even higher!

Owners c' TRASH-AWAY love it!

All kinds of people use TRASH-AWAY — homeowners, motel managers, garden enthusiasts, farmers, restaurateurs, nursery and greenhouse owners, veterinarians, livestock breeders, club managers. And once they start using TRASH-AWAY, they volunteer comments like these:

COUNTRY ESTATE OWNER: OIL CITY, PENNSYLVANIA: "In winter, snow and mud make it difficult to remove trash and refuse; by using three barrels, I am able to go as long as three months without dumping the ashes and debris. During the summer, immediate burning of refuse eliminates odors and flies."

MOTEL MANAGER: PETERSBURG, VIRGINIA: "We could not burn our trash until after 4 P.M., because of laws about open burning. Now we can burn and not worry about the time, or windy days. Our problem with rats has been eliminated. We don't have to stand and watch it burn. We burn a whole barrel full in 20 minutes and have only a shovel full of ashes left."

DAIRY FARMER: TITUSVILLE, PENNSYLVANIA: "The disposal of baler twine used to be a major problem on my dairy farm, but with TRASH-AWAY, a drum of twine is quickly reduced to a handful of ash."

FACTORY OWNER: FAIRFAX, OHIO: "The units paid for themselves the first month we used them in our plants."

WEEKEND HOMEOWNER: SEATTLE, WASHINGTON: "The ordinary incinerator we used to use for burning trash and papers at our summer place inevitably rusted and burned out, and we always had the problem of flying sparks. Now that I have TRASH-AWAY, my problems have been solved. It has proven to be an extremely safe and efficient way of burning trash, and I am very pleased with it."



With TRASH-AWAY at home and at your place of business, you never have a refuse or leaf pile-up. You never have to bother with bagging or dumping or building open bonfires. You never have trash odor, insect or rodent problems. And you cut to a fraction the space bulky, unattractive trash receptacles take up.

Model by Crossbow Inc.
Cincinnati, O. 45226

Specifications

BURNING CHAMBER — 23" diameter, 34" high, 20 gauge steel drum, 55-gallon (8 bushels) capacity — equivalent to 3 standard-size trash cans.

LID — 18 gauge stainless steel with 6 radial raised ribs to prevent heat distortion. Double side walls ensure snug fit on drum.

2 STAGE SPARK ARREST SYSTEM — Internal 1st stage has 320 individual openings to block large cinders. External 2nd stage has fine screen to vent exhaust gases without live sparks or fly ash problem.

POWERFUL AIR JET — 110 volt AC-DC universal 1/4 horsepower motor. Centrifugal axial vane blower is driven at 19,000 RPM, puts out air at 90 cubic feet per minute. Complete with on-off switch. Air hose is 4 1/2 ft. flexible steel.

CART — tubular all-steel frame. Solid steel bar axle. Steel 8" wheels, solid rubber tires. Steel heat shields protect tires from heat. Leash type chain secures drum to cart, unhooks readily from special latch to permit removal of drum.

FULL SIX MONTHS WARRANTY ON ALL PARTS AND LABOR.

Made in U.S.A. U.S. Pat. 3486240. Foreign patents pending.

ORDER YOURS NOW

NOTE: This brochure was printed after the issuance of the "Trash-Away" patent.

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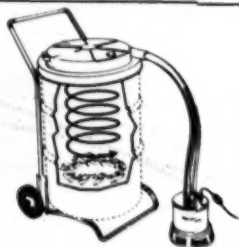
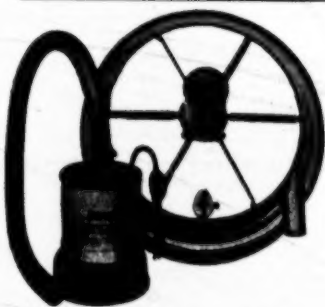


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